OVERSIGHT HEARING ON THE EMERGENCY VETERANS' JOB TRAINING ACT OF 1983

HEARING

BEFORE THE

SUBCOMMITTEE ON
EDUCATION, TRAINING AND EMPLOYMENT

OF THE

COMMITTEE ON VETERANS' AFFAIRS
HOUSE OF REPRESENTATIVES

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OVERSIGHT HEARING ON THE EMERGENCY VETERANS' JOB TRAINING ACT OF 1983

FRIDAY, SEPTEMBER 21, 1984

House of Representatives,
Committee on Veterans' Affairs,
Subcommittee on Education, Training and Employment,
Washington, DC.

The subcommittee met, pursuant to notice, at 9:30 a.m., in room 334, Cannon House Office Building, Hon. Marvin Leath (chairman of the subcommittee) presiding.

Present: Representatives Leath, Edgar, Evans, and Solomon.

Also present: Representative Montgomery (ex officio).

OPENING STATEMENT OF CHAIRMAN LEATH

Mr. Leath. The subcommittee will come to order, please.

We do expect some other members to be here shortly, but in the interest of time and our colleague, Mr. Edwards, needing to catch a plane, we will go ahead and commence.

We are meeting today to further evaluate the implementation and administration of the Emergency Veterans' Job Training Act of 1983, Public Law 98-77. We last met in April to review the progress that had been made under the Emergency Veterans' Job Training Act up to that time. The program, unfortunately, had gotten off to a slow start. Department of Labor and Veterans' Administration officials assured us, however, that we could expect a sharp increase in employer participation and job placement due to ongoing initiatives by the agencies and an expected increase in spring and summer hiring. Witnesses agreed that it takes about 6 months to develop a new program like this, and then favorable results would dramatically increase.

Statistics do look better today than they did in April. As of September 4, we were told that 201,655 veterans had been approved or reapproved to participate in this program, as compared to 96,000 last April. As we have seen since the program was first instituted, veteran interest in this program is extremely high.

Employer participation is also on the rise. The latest statistics show 27,111 employers approved for participation with 60,379 job slots approved. This is up from the level of our April hearing of 10,347 employers participating, with 22,237 approved job slots. Likewise, the total number of jobs filled has increased from 2,823 last April to over 13,000 this month. We certainly want to see this trend continue and, if possible, to accelerate it.

Although we are glad to see these improvements in program participation, there are still some areas that seriously concern the subcommittee. One is the placement rate of qualified veterans. I fully understand that not all of the 60,000 job slots are immediately available, but we cannot be satisfied with the current placement of only 13,717 veterans. We want to know why so few veterans have been placed in jobs and what can be done to speed up the process while maintaining the integrity of the program.

Additionally, it has come to our attention that the Veterans' Administration has instituted a policy of a 25-percent compliance survey which includes equal opportunity compliance. Perhaps the Veterans' Administration can explain why they think a survey this broad is necessary and whether such a survey will act as a deterrent to employers participating in this program.

The national unemployment rate for August was 7.5 percent, or over 7 million Americans unemployed. Of this total, 417,000 Vietnam veterans were unemployed. This figure is unacceptable and more has got to be done to help these unemployed veterans. We believe that this program, properly administered, will do just that.

In that regard, it has been suggested that the 15 out of 20 weeks unemployment requirement be reduced, perhaps to 5 weeks unemployed. We want to explore these and other issues in an effort to further maximize the effectiveness of this program.

Following the April hearing, the subcommittee developed and the full committee reported H.R. 5398, the Veterans' Education and Employment Amendments of 1984. Provisions of this bill provide for an extension of the lifetime of certifications for this program by the Veterans' Administration from 60 to 90 days, a 6-month extension of the time to apply for training from November 29, 1984 to May 29, 1985, and of the time to begin training from March 1, 1985 to September 1, 1985. H.R. 5398 was unanimously supported by representatives of veterans' organizations and passed the House without dissent on August 6, 1984 and is now pending action in the Senate.

We have a great many witnesses to hear from today. I particularly want to welcome the directors of the Veterans' Administration Regional Offices and the State Directors for Veterans' Employment who are here. They are the ones on the frontlines of this program and we look forward to hearing their comments.

Before I call on our distinguished colleague and witness, I would yield to my good friend, Mr. Solomon from New York, who has been one of the motivating forces behind this legislation. Jerry, we're delighted you could be here this morning.

OPENING STATEMENT OF HON. GERALD B.H. SOLOMON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Mr. Solomon. Thank you, Mr. Chairman. I might say that you're getting as bad, or as good, as Sonny Montgomery, starting on time here. That's good.

Mr. Chairman, as you pointed out at our last oversight hearing on this law, we were less than pleased with the rate of placement of unemployed veterans under this program, and since that time it does seem as if the program has taken off in many parts of the country. The fact that the Veterans' Administration has received nearly 250,000 applications from veterans and over 30,000 from potential employers I think is indicative that substantial progress is being made in the program.

I think a further demonstration of improvement lies in the actual placement of some 14,000 veterans under the program. Needless to say, we had hoped for more placements at a quicker rate, and we are still committed to that goal.

This hearing has been called to receive testimony as to how we might best move toward that achievement, this objective. Many of our witnesses with us this morning work with this program on a day-to-day basis, on the frontline, and it is hoped that constructive suggestions as to the program's improvement will be forthcoming during this hearing.

As a final note, I think it should be pointed out that the unemployment rate among our Vietnam veterans has dropped markedly in recent months due to the rigorous economic recovery, and it is an underlying principle that job training programs of this nature are designed to supplement the employment possibilities that come about naturally in the marketplace. It is more than encouraging to see such a considerable drop in the unemployment rate among our veteran population. It is, of course, our position that full employment of Vietnam veterans is our ultimate goal.

I certainly look forward, Mr. Chairman, to receiving testimony about how to improve our job training program to further this objective. Again, I want to commend you for your leadership in this program.

Mr. **Leath**. Thank you, Jerry.

We have one or two other distinguished members here this morning. Bob, we need to let Don go ahead and testify as quickly as possible. He has a plane to catch. But if you have any comments, we would be glad to hear them.

OPENING STATEMENT OF HON. BOB EDGAR, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF PENNSYLVANIA

Mr. **Edgar**. I just would like to commend you for holding the hearings and just indicate my impatience with the way in which veterans are placed.

We did a little study in eastern Pennsylvania and discovered there were 7,110 applications. The number of employers approved was 812 out of 1,076 applications received. In Philadelphia County, which has some real pockets of poverty, 124 employers were approved but only 38 veterans were placed. In Delaware County, which I represent, 39 employers were approved, only 15 veterans were placed.

I am anxious to hear from the VA and from some of the State and regional people as to why this level is so low, given the need of targeting this program particularly to Vietnam veterans who are out of work and unemployed. But I would just commend you for holding these hearings today and look forward to hearing Don Edwards' statement.

Mr. **Leath**. Thank you.

Our first witness this morning will be Don Edwards from California, our distinguished colleague and senior member of this committee. Don is a World War II veteran and has served on this committee since he was first elected to Congress. He knows veterans' programs because since coming to Congress he has been active and has participated in all the legislation that has been initiated and reported by this committee to improve existing programs and establish new and meaningful programs. That is why members seek his wisdom and his counsel on veterans' matters.

The veterans of this Nation have no greater friend and supporter of their hard won rights and benefits than Don Edwards. It is a pleasure to serve with Don on this committee.

Don, it is an honor to have you appear before the subcommittee as our first witness on a program that I know you're as intensely interested in as we are. We are delighted to have you, sir, and look forward to your testimony.

STATEMENT OF HON. DON EDWARDS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. EDWARDS. Thank you very much, Mr. Chairman. I deeply appreciate your very courteous introduction and I appreciate being allowed to testify on this very important bill and the implementation of this job training act. I commend you and all the members of the subcommittee for establishing the program, and I know how deeply you feel about the need for it.

Mr. Chairman, in March 1983 more than 835,000 Vietnam veterans were looking for work. You, Mr. Chairman, recognized the desperate need of these veterans for assistance and introduced a bill establishing a program to quickly get these veterans into the work force. Although Vietnam veterans were unemployed at a much higher rate than their nonveteran peers, and the numbers of unemployed veterans were staggering, the administration said we didn't need a special program to help these veterans get out of the unemployment lines. In fact, they fought it tooth and nail.

Notwithstanding the administration's objections, the House and Senate agreed that we must face this major issue and enacted a very creative approach to the long-standing problem of veteran unemployment. For the first time, monetary incentive would be offered to employers who agreed to hire and train veterans in stable and permanent positions.

Although the administration had opposed this legislation from day one, at a signing ceremony staged for national TV, President Reagan said—and I quote—"The Nation has a special commitment to those who have served in the military * * * They did their best for us; now we must do our best for them."

Unfortunately, this rhetoric was followed not by support for the program but by what only can be described as a double cross. President Reagan's new budget had no money for the jobs program. Evidently the President felt that he could comfortably live with a high rate of veteran unemployment. I wonder how comfortable those veterans felt who were still jobless with no means to support themselves and their families.

The administration's indifference has tarnished the bright promise of the jobs program. Fewer than 14,000 veterans have been placed in jobs. The administration's own internal review revealed that as late as May there was still confusion in the field as to how this program should be implemented. Why has such a low priority been assigned to the needs of unemployed veterans by this administration?

And today, the administration recommends a miserly 2-month extension—2 months—of the jobs bill. The House has already passed legislation which you, Mr. Chairman, and your fine subcommittee developed, to extend the program for 6 months. The Senate will act soon on similar legislation.

I urge the administration's spokespersons to take a message back to the President and to OMB: We on this committee have no intention of backing away from our responsibility to our veterans. Regardless of the opposition from the White House, we will do what must be done to ensure that those veterans who served our country during wartime will not be abandoned to the unemployment lines.

When I review the administration's handling of this program, I see a double cross—and I use the word very advisedly—of unemployed veterans. And frankly, Mr. Chairman, this is not the first time. This is a very stark expression, to be used only where the issue is large and the proof positive.

The words came to me, senior member of the House Veterans' Affairs Committee, as I watched President Reagan appear before the great national veterans' organizations—the American Legion, the Veterans of Foreign Wars, and the Disabled American Veterans. In each appearance, wearing the organization's overseas cap, he thanked them for their very real support of his military buildup, but he didn't tell them what he had given in return—a 4-year assault on programs critical to the well-being of veterans and their families.

The word is double cross, and the proof is extensive and documented. Let's review it.

Mr. Chairman, year one. In 1981, our new President demanded that 8,000 full-time VA employees be fired, and the VA budget reduced by $840 million.

President Reagan demanded the elimination of the Veterans' Readjustment Counseling Centers, this essential program geared toward the Vietnam vet who needs special attention and which has been immensely successful.

President Reagan demanded a 10-percent reduction in the VA's outpatient services to impoverished veterans.

He reversed the Carter administration's plan for providing judicial review of veterans' claims. So vets must continue to wait up to 16 months for an appeal to be considered by the Board of Veterans Appeals, and then have no recourse to the courts.

President Reagan said that he would continue this system wherein the American veteran, unlike any other citizen, cannot ask the Federal courts for justice, but can appeal only to the VA, the bureaucracy the veteran says is denying justice.

Year two. President Reagan's fiscal year 1983 budget said totally disabled vets would get their compensation payments cut if they were receiving other Federal benefits. This was a radical proposal since the purpose of disability payments is to replace the earning capacity of the totally disabled vet. Congress quickly deep-sixed this cruel idea.

Year three. President Reagan's fiscal year 1984 budget asked that cost-of-living increases in veterans' pensions, compensation payments, and Social Security pensions be delayed. Yet the American veteran is not generally the affluent person in evidence at the political convention. He or she needs badly the modest cost-of-living increases.

Year four. This was the year the President took on the unemployed veteran. As I mentioned earlier, Congress enacted the Emergency Veterans' Job Training Act despite the vehement objections of the administration. As evidenced by administration testimony to be presented today, the President is still indifferent, at best, to the needs of unemployed Vietnam and Korean veterans.

This same fiscal year 1985 budget says 800 full-time VA employees in the Department of Veterans Benefits must be fired. This means longer and longer waits for pension applications to be serviced.

President Reagan's Grace Commission recommends that major functions of the VA be disbanded and transferred to other agencies or the private sector, essential programs like compensation, pension, and education.

President Reagan's Grace Commission says that we should consider doing away altogether with the VA.

The Reagan Grace Commission, said the Disabled American Veterans organization, "is one of the greatest single threats ever posed against our Federal system of veterans' benefits and services."

President Reagan wants to decimate veterans' housing programs, require bigger down payments, eliminate no down payment VA loans, charge fees, and restrict the number of vets who could get housing loans in any year.

The future. Veterans should beware. President Reagan makes no secret of his dark plans for the future. OMB head David Stockman says veterans' health care programs can be curtailed, and his boss, President Reagan, at his latest news conference just the other day, agreed. He said the veterans' programs will be "looked at" as a means of lowering the deficit.

At secret meetings in the White House we hear that for veterans' programs "there is the sound of knives being sharpened."

So far Congress has refused to play dead to President Reagan's plan to dismember the fair and decent system designed to fulfill our responsibilities for our veterans. The leadership on both sides of the aisle in this Veterans' Affairs Committee in the House of Representatives, all of us, have successfully fought the attempts to cut and maim veterans' entitlements. Generally speaking, we have provided adequate funds. But I shudder at what might happen if there are 4 more years.

Thank you, Mr. Chairman.

Mr. LEATH. Thank you very much.

Mr. SOLOMON. Would the chairman yield for a moment?

Mr. LEATH. I yield to the gentleman.

Mr. SOLOMON. Mr. Chairman, you know, I'm a little upset here. I agreed with your request to have you transfer this meeting from yesterday to today. We came to this meeting because we wanted to get a briefing on how we can improve this program that we all worked so hard on. Now, I hear one of our colleagues come before us, who serves on the Oversight and Investigations Subcommittee. I know he is a senior ranking Democrat on this committee, and I respect him. But he comes here today and talks about everything but the program that we're holding this hearing on. I just think that was the kind of very partisan speech seldom heard before this committee and I think with all due respect it is one requiring me to be critical of it.

The veterans of this country think very highly of Ronald Reagan, and everybody in this room knows it. To hear criticism of him like this is something I just can't believe, because I have a great deal of respect for our colleague.

That's all I wanted to say, Mr. Chairman.

Mr. **Edwards**. Does the gentleman from New York disagree with any of the facts that I presented?

Mr. **Solomon**. Yes, I do, and I'm going to go through your statement and I'll give a report to the committee on it.[1]

Mr. **Edgar**. Mr. Chairman.

Mr. **Leath**. The gentleman from New Jersey.

Mr. **Edgar**. It's Pennsylvania, but that's close enough. [Laughter.]

Mr. **Leath**. Pennsylvania. Excuse me.

Mr. **Edgar**. Mr. Chairman, I take issue with my colleague from New York in his assessment of this statement. It is a hard-hitting statement. It does bite the President on the leg because it basically is laying out a great number of facts. It does speak to the issue which is before us today, and that is the administration's program.

The administration has asked for a 2-month extension, has dilly-dallied this program, and with great fanfare at the VA 1 year ago it signed this law setting up a program to do something about unemployment of Vietnam veterans. And then it simply walked away from it. It requested no funding for that program. It was only the Congress of the United States, in a bipartisan effort, Democrats and Republicans, that had to overrule the President and OMB.

I think the problem that my colleague from New York has is that the facts are laid out by the gentleman from California in an accurate way. Ronald Reagan is the President who said, when he became President of the United States, he was going to restore the GI bill. Then every administration official has come before this committee over the last 2 years, nonuniformed personnel, and have talked against a new GI bill for the All-Volunteer Military.

I appreciate my colleague from New York for going to give a detailed rebuttal, and that's fine. That's what public hearings and public debate are all about, and I can understand that.

I think that the gentleman from California, who is a distinguished member, if it was not for his leadership on the Judiciary Committee he would be chair of this Veterans' Affairs Committee. In the last 10 years that I have served on this committee, there hasn't been an issue that the gentleman from California hasn't been an activist on behalf of veterans. Your leadership on judicial review has been very helpful. Your work with me on hospitals and health care has been very helpful. Your willingness to work with us on the floor to get veterans' legislation passed is very helpful. And your counsel here today in terms of putting veterans back to work is also very helpful.

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[1] See statement of Hon. Gerald B.H. Solomon on p. 55.

So I think the record can be balanced and the gentleman from New York can have his way and place his statement in the record. Without objection, I would urge our committee to let that happen. But I see nothing in this statement that is either offensive or untrue, and I appreciate and commend the gentleman from California for his statement.

Mr. **Edwards**. Well, I thank the gentleman from Pennsylvania.

Mr. **Leath**. Thank you, Don. I'll say this; you and Jerry got us all awake this morning. [Laughter.]

Mr. **Edwards**. I wanted to get you off to a good start.

Mr. **Leath**. Well, I know that we all tend to get emotional about these things because they are things we're all concerned about. But I know that when the time comes for us to knuckle down and make this program work, we're all going to be pulling together just like we have in the past.

Mr. **Edwards**. Your subcommittee has been great.

Mr. **Leath**. We are delighted to have this exchange and we'll move on.

Lane, did you have any comments you wanted to make at this point?

Mr. **Evans**. No, Mr. Chairman.

Mr. **Leath**. Thank you, Don, very much. We appreciate your coming.

Mr. **Edwards**. Thank you, Mr. Chairman.

Mr. **Leath**. Our next witness will be a group from the Veterans' Administration, led by the Chief Benefits Director, Miss Dorothy Starbuck, Mr. James Kane, Assistant General Counsel, and Mr. Dollarhide, the Director of Education Services.

Miss **Starbuck**. Mr. Chairman, I think this seat is "hot". [Laughter.]

Mr. **Leath**. Dorothy, I hope you can cool it off by telling us that you're really going to get the VA moving on this program and make it work like we want it to. You have been here enough to know how to proceed, so we invite you to go ahead.

STATEMENT OF DOROTHY L. STARBUCK, CHIEF BENEFITS DIRECTOR, VETERANS' ADMINISTRATION, ACCOMPANIED BY JAMES L. KANE, ASSISTANT GENERAL COUNSEL; AND CHARLES L. DOLLARHIDE, DIRECTOR, EDUCATION SERVICE

Miss **Starbuck**. Thank you, Mr. Chairman. I am very pleased to be here today to provide you a briefing on the progress of our efforts in implementing the Emergency Veterans' Job Training Act.

As you mentioned, at the time of the last hearing, which was in April, I had reported to the subcommittee that as of March 26, 1984, we had a total of only 2,506 veterans actually employed. I am pleased to report some significant improvement. As of September

10, 1984, there were a total of 14,286 veterans actually employed in training positions.

The overall interest in the program has increased. At the end of the first full month of the program VA had received only 37,000 applications. The number has now ballooned to a total of 248,369 as of September 10. In the Agency we have processed 97 percent of these applications, or about 242,000, and of those, 206,000 have been approved for veterans.

The employer participation has also increased. At the end of December 1983, we had a total of 1,564 applications. As of September 10, we have received 30,051 applications. Again, here we have processed 97 percent and have approved, of those, 95 percent.

I said earlier in April, Mr. Chairman, that it was too early to make any judgments on the success of the program. I think now we can make some judgments. I would have to say that, yes, the program has had its successes, but I would not call it an unqualified success. We can see the progress that has been made. At the end of December, just under one-half of one percent of those veterans approved for the program actually got positions in training. The latest figure, as of September 10, has moved up to 6.9, almost 7 percent of the veterans approved.

Recognizing that we had some problems in various parts of the country, we wanted to, first hand, find out just how the program was going and how it was being implemented in various locales. To this end, a joint Veterans' Administration and Department of Labor review team was formed. During the period May 6 through 18, this cooperative team visited selected locations in order to review the implementation. The team visited four locations and conferred at length with officials of the VA regional office, the State Employment Security Agencies, and the Department of Labor's Veterans' Multipurpose Centers.

The team, of course, made a number of interesting findings. For example, they found that there did appear to be a direct relationship between the program's success and the priority assigned to the Emergency Veterans' Job Training Act in both departments, as well as some confusion over the areas of responsibility which were shared by the two agencies. Another finding of importance was that the involvement and support of high-ranking officials in State governments had proven to be an asset to the acceptance of the Emergency Veterans' Job Training Act by the communities' employers.

The joint team was able to determine really what went wrong and what went right at the different locales they visited. As a result of their findings, letters have been sent to our field stations to emphasize and highlight the high priority that should be given to the Emergency Veterans' Job Training Act. We are requiring specific work plans for outreach and public information efforts that will be pursued both by the VA, in coordination with the Department of Labor, and State Job Service officials.

VA staff and staff of the Department of Labor's Veterans Employment and Training Service have solicited the participation of each Governor in the promotion of this program on a continuing basis.

The joint team also looked into the processing timeliness of jobs bill applications. Essentially, they found that there was a direct relationship between the effectiveness of management direction and the overall success of the program. To assure a remedy to this situation, we have instructed field stations to provide immediate management direction to see that backlogs are reduced to acceptable levels. An acceptable level, in our estimation, is that no more than 5 percent of the veterans' applications, or 3 percent of employer applications, received in a station should be pending action at the end of any given week.

Mr. Chairman, I think, as you have mentioned, I would like to say a few words about the state of the economy and how it has improved since this law was enacted in August 1983. Among Vietnam-era veterans aged 30 to 34, the unemployment rate in August of 1983 was 9.7. This year, in August, it had been reduced to 6.4 percent, a drop of over 3 full percentage points. Vietnam-era veterans in the age 35 to 39 group also enjoyed a drop in unemployment, from 6.2 percent of a year ago to 5.4 percent in August of 1984.

The number of unemployed veterans for both age categories shows a decline from 375,000 to 277,000, or a drop of 26 percent. Of course, all of this does not mean that there is still not a need to find jobs for veterans.

When we are asked, the VA furnishes employment services to assist eligible veterans in selecting suitable programs of job training and to assist them in overcoming problems that they might encounter in adjustment or employment. We have received a total of over 64,000 counseling requests through August 1984. Action has been completed in 60,141 of these cases. The completed actions include veterans who have been actually provided counseling and any related service required, but it also includes a count of veterans who did not report for scheduled counseling and who did not subsequently ask for a rescheduling.

The number of veterans requesting counseling exceeds requests for assistance under any other programs. A significant number of these requests are for a wide range of information and assistance for which counseling for employment is one service. Requesting counseling is really one way in which a veteran is giving us a signal that he or she needs help from us. We have modified our existing counseling procedures so that we could respond to veterans' requests in a more flexible and appropriate manner. These modifications include the use of telephone contacts, group orientation sessions conducted jointly with VA and Department of Labor staff, and an increased use of our own career development centers. The addition or modification of these efforts has in no way affected a veteran's entitlement to individual counseling services but, instead, permits our limited staff to provide needed information sooner to the veteran.

We do believe that these modifications will enable us to focus our counseling efforts more effectively and that new developments such as the extension of the Targeted Jobs Tax Credit will lead to a more systematic approach to employment services in conjunction with the Department of Labor representatives.

Mr. Chairman, as you noted, the passage by the House of H.R. 5398 would amend the Emergency Veterans' Job Training Act to extend the operative period of a certificate of eligibility from 60 to 90 days. It would also extend both the last date upon which an eligible veteran may apply for, and enter, a program of job training. We are in favor of extending the life of the certificate of eligibility to 90 days, since this would afford an additional time period in which a veteran could seek counseling and employment. However, we continue to believe that a 2-month extension of both the application and training commencement deadlines would be reasonable and consistent with current projections. A 2-month extension is, we feel, all we need to make up for the program's slow start.

Mr. Chairman, that concludes my statement. I will be most happy to answer questions you or the subcommittee members may have.

[The statement of Miss Dorothy L. Starbuck appears at p. 57.]

Mr. LEATH. Thank you, Dorothy. I do have a number of questions. I will ask a few of them and then defer to my colleagues, and then ask the balance of them after they have had the opportunity to question you.

I find it extremely difficult, Dorothy, to believe that you believe personally that a 2-month extension of this program is going to make up for the tremendously slow start that it got. I view that as another one of those things that was probably pushed on you by OMB, which I find difficult to understand, also. Now that we've got the program and we're seeing that it can, in fact, do what this subcommittee in particular thought it would, I'm concerned that the administration doesn't appear to be willing at this point to go that extra mile to make up for the time that we lost in the beginning.

Would you care to address that?

Miss STARBUCK. Well, Mr. Chairman, I think that I would have to agree that, from April to today, we have seen the progress that we would have liked to have seen in the first few months of the program. If the present impetus that exists in the employer community, as well as in the veteran community, stays at the current level, I think that by the end of the year we will have reached the goal that we want.

I suppose, if we were to make greater efforts to put a higher percentage of persons in training, it's going to take us nothing but time.

Mr. LEATH. I think you wouldn't totally disagree with the committee's opinion that we need a little bit more than 2 months to probably reach——

Miss STARBUCK. I would not disagree with the committee, sir.

Mr. LEATH [continuing]. What is the average lag time between the time of the certification of the veteran and the job placement and how long is it taking now to get an employer approved for participation?

Miss STARBUCK. Lou, do you want to address that?

Mr. DOLLARHIDE. Yes, Mr. Chairman. The turnaround on an employer application for program approval averages about 5 days in our regional office, the certificates of eligibility generally about 10 days, from the time that we receive the applications.

Mr. LEATH. Then how about the time between certification and the actual placement?

Mr. DOLLARHIDE. It would be a ballpark guess, Mr. Chairman. I don't think we have tracked that specifically. There are too many variables in between. I would say, where the veteran and a job are matched up at the time they get the application, there would be no significant delay. In other cases, where the job is approved and there is no veteran available—they have to go through the referral process—it could take a month or more.

Mr. LEATH. Of the veterans placed in the jobs, how many up to this point have been terminated, and what were the basic reasons for these terminations?

Miss STARBUCK. We have had a termination rate of about 19 percent, Mr. Chairman, of those who have actually gone into training.

The highest percentage of individuals who have dropped out of a training program have done so of their own volition. We have not made contact with these individuals to determine why they have discontinued training. We are anticipating that the contractor who is reviewing the entire operation of the jobs bill will develop statistics on why veterans leave training or why veterans continue with training and succeed in gaining employment.

We are a little discouraged at the rate of voluntary leaving. I could only surmise that the reason for this would be that they are discontented, either with the salary level they are receiving or with the training they are receiving.

Mr. LEATH. What retention rate would you normally expect in a job training program like this, Dorothy?

Miss STARBUCK. I would think that we would at least approach about a 90-percent retention rate in a training program.

Mr. LEATH. Is there any indication that perhaps the fact that we're rather slow again in getting the program implemented and getting the guidelines sent out, the push that has been made, that we might have perhaps been a little bit premature in some of these placements in order to make the figures look better? Could that be a possibility?

Miss STARBUCK. Well, as you know, Mr. Chairman, we all wanted to do what the legislation called for. Our people in the field who are operating this program have, I think, been as studious as possible in following the rules in the legislation about the approval of positions for training. I don't think that we have gone helter-skelter looking for statistics. Our efforts in the field have been to follow the law and at the same time to, within that, provide the services to veterans.

Mr. LEATH. Would you have any suggestions as to how we might improve this, Dorothy?

Miss STARBUCK. Well, certainly, I have to agree that the extension of time on the certificate of eligibility is a very good move. You mentioned in your statement the possibility of our rate of compliance survey perhaps discouraging employers, who have a rather natural disinclination to have representatives of the Government looking at their books to see how they're doing business and whether they are doing it as we would like to have them do.

We felt initially that this 25-percent compliance survey was heavy. We have reviewed some of the compliance surveys that have been made, and when we have the opportunity to review another group of those, I think that, depending totally on our findings, we can reduce the number of compliance surveys that will be made. I think that will be helpful.

Mr. **Leath**. You point out in your testimony that you sent a letter to the field stations emphasizing and highlighting the priority that should be given to the program. When was this letter sent?

Miss **Starbuck**. That letter was dated July 27, 1984. But, I would like to make you aware, Mr. Chairman, that prior to that, in a hotline conference, closely attended by every director of a regional office in the country, I made a personal commitment of the Department of Veterans Benefits to a high level of management attention to this program and a very high level of directed cooperation with the Department of Labor and Employment Service representatives locally which did give impetus to the attention that was given to this in the regional offices.

Mr. **Leath**. About how long prior to the July letter would you estimate that was?

Miss **Starbuck**. Oh, gosh, I don't remember when that hotline was, but it would have been at least 3 or 4 months prior to that.

Mr. **Leath**. I would just point out that the letter was 8 months into the life of the program, and even at the outer limits of your recollection of the call, you know, I still think that's a little bit late.

Miss **Starbuck**. Well, I think what's important about this July letter is that it was reflecting the findings of the joint Department of Labor and VA team which had reviewed the operations in four States. It certainly is not the first indication of management concern at the Department level for the success of the program, nor would I say that there had not been a great deal of pressure put on in the Department of Labor to work with us on this program.

Mr. **Leath**. According to testimony by the Veterans of Foreign Wars in their statement, application forms for employers have been in short supply in some of the regional offices.

Have you——

Miss **Starbuck**. That distresses me. If they have found that, then I'll get that corrected.

Mr. **Leath** [continuing]. OK. I just wondered perhaps if you also might check and see if you have any regional offices who requested forms and didn't get them, or whether or not——

Miss **Starbuck**. Absolutely. I will.

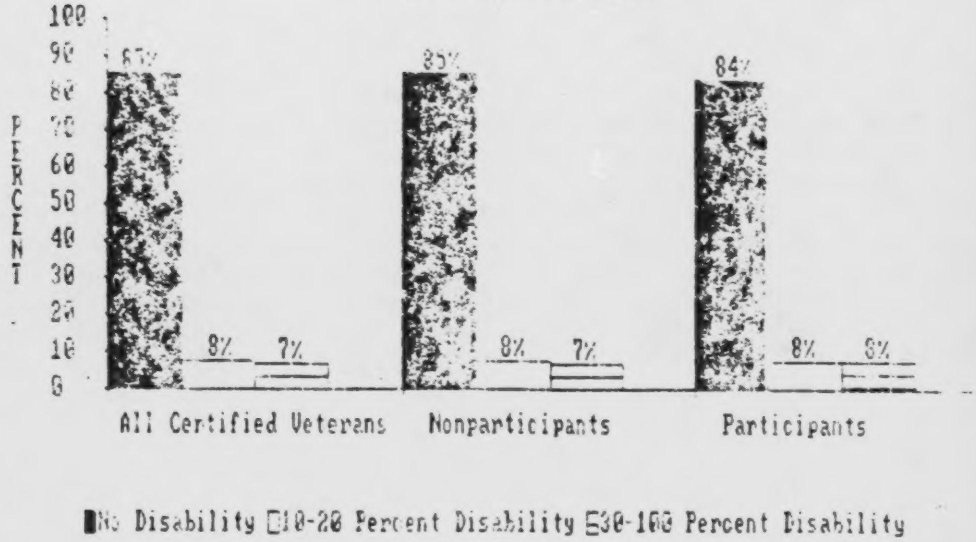
Mr. **Leath** [continuing]. Or whether or not the regional offices just didn't put enough emphasis on the program to be concerned whether they had the forms or not. I think we ought to know whose fault that was, just for future reference.

What statistics do you have for the participation rates of disabled veterans, and why aren't more disabled veterans signing up for the program, and what efforts have been made by the VA to inform particularly disabled veterans about the program?

Mr. **Dollarhide**. I believe in the initial report made by Centaur Associates, which is doing a special study on this program for the VA, the number of disabled veterans was about 15 percent. I think about 8 percent of those were 10 and 20 percent disabled, and about 5 percent were 30 percent disabled. I could be wrong because I'm recalling from memory. If that's wrong, I'll correct the record, with your permission.

[Subsequently, the Veterans' Administration provided the following information for the record:]

Certified Veterans By Percent Of Disability and Participation Status As of April 16, 1984



Total Certified Veterans = 101,573

Nonparticipants = 97,723

Participants = 3,850

Source: Target Management Information System (as of April 16, 1984), Department of Veterans Benefits, Veterans Administration.

Mr. **Leath.** Dorothy, one of the things that really concerns me—and you have spoken to it briefly—as a person who came to Congress from the private sector, and who understands the problems that those in the private sector have when dealing with the Federal Government—concerns this 25-percent audit level. I find it very difficult to understand, considering that one of the complaints that we heard from the agency in the beginning was that you didn't have enough full-time employees allocated in order to get this program underway, that now you find that you suddenly have enough employees to conduct a 25-percent audit level.

Another thing that distresses me is that at this point evidently we're getting into EEO compliance surveys. To me, this seems not only somewhat of a waste of valuable staff time, but it's an almost guaranteed way to alienate the employer community, particularly the ones that I would hope this program would help the most, which would be small business. I know, as a former small business person, if we hear from our friend down the street that:

> I participated in this program because I wanted to help a veteran; I thought it would be a patriotic thing to do. I didn't get set down good until here came a flock of Government folks wanting to bang me over the head with this, that, and the other.

I have had some of that. I understand how that works. I think if we were looking for a way to kill this program, we couldn't design a way that would do it any better.

Now, I know that all of us want to go back and make checks and make sure the program is working. I'm not arguing with that point at all. But I was visiting with one of the young men who was up here last week, I believe it was, with the Department of Labor. Before we even got into this thing—this is one of the things he pointed out to me. He said, "We're already having problems with that. Some of these auditors are going in and they're just scaring the living hell out of these people." You know, if we aren't careful, it's going to be the thing that will kill this program totally and completely.

So I would like an explanation of why you decided that it needed to be at this level, No. 1, and why, when we're getting started 8 months late, why we have to get into things such as EEO compliance to this extent. To me, an unemployed veteran is an unemployed veteran. If we were dealing with $4 or 5 billion here, I think we would have the luxury of doing some of these things. But we're not. To get into things like this that could do great harm to this program this early on, is somewhat disconcerting to me.

Miss **Starbuck.** Well, Mr. Chairman, probably our basic philosophy in setting that high rate of compliance survey was that this was, as originally planned, a short-term program. It was one on which the startup had to be initiated very quickly and very forcefully. It was our feeling that it would be some period of time before we would be in a position to make a compliance survey of a veteran who had been in training for any period of time.

We had the feeling that initially we would like to have this 25-percent survey to assure that the jobs that we had approved were, in fact, effective job slots in which meaningful training could take place, and that we were, in fact, paying the employer for the proper hours of training that he had presented to us in a plan.

I would assure you, Mr. Chairman, that those persons in the regional office who do compliance inspections are not out to bully any employer. We do find mistakes, many of which are easily corrected.

We have asked our regional offices to do the compliance surveys, and any compliance survey that we do brings in the requirements for a review of equal employment opportunity considerations. As of the immediate time, there have been 82 compliance surveys completed in our western regional offices. The central region has completed 61, and the eastern 23. That's a total of 166 compliance surveys that have been made, and in only 4 of those has there been any finding of potential fraud. There have been 4 others found that have resulted in a withdrawal of approval, and that would be on the basis principally of not following a training plan or not keeping adequate records of a veteran's participation in the training program.

Now, I agree with you, that 166 surveys, in which we make an adverse finding of only 8 cases, certainly gives us reason to take another look at the requirement of the 25-percent survey. We are going to do that.

Mr. **Leath**. I would certainly hope, based on those statistics alone, that you would.

In your time with the VA, can you recall another program where you had this high a level of compliance surveys before?

Miss **Starbuck**. We have in the past, in some of the on-the-job training programs, had that level. I can go back in history, I guess, about as far as anybody. But my memory over all these years is getting a little faulty.

The 25 percent, I think, applied to all of the on-the-job training, did it not, Lou?

Mr. **Dollarhide**. At one time. It's now reduced to 10 percent.

Mr. **Leath**. Well, I just wondered why we went back to the 25 percent.

Miss **Starbuck**. We were skittish, if I may be that open with you.

Mr. **Leath**. You didn't trust our judgment, then?

Miss **Starbuck**. I didn't trust the judgment of some of the employers who look at $10,000 as an easy way to make a buck.

Mr. **Leath**. All right.

I yield to the gentleman from New York.

Mr. **Solomon**. Thank you, Mr. Chairman.

Miss Starbuck, gentlemen, it is always nice to have you come and testify before this subcommittee and committee.

Mr. Chairman, I have a number of questions that I would like to ask Miss Starbuck, but like our good friend, Don Edwards, who testified before us earlier, I also have to catch a plane here before too long. So, if I may, I will submit some questions, if Miss Starbuck would be good enough to furnish the answers. We would appreciate it.[1]

I don't want you to think that just because I stood up here and defended the President that I'm going to take it easy on you, as much as I love you.

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[1] See p. 123.

Miss **Starbuck**. That never crossed my mind, Mr. Solomon. [Laughter.]

Mr. **Solomon**. As a matter of fact, let's start off with a tough one. You know, this committee just recently passed a 6-month extension for this program. The Senate will probably take it up either today or maybe Monday and pass it, and then it will go to the President.

Now, I want to know, are you going to urge the President to sign this bill?

Miss **Starbuck**. I'm not the one who makes that decision, sir. But if the general counsel, who would write for the Administrator a recommendation, asks me, I will suggest that he support the legislation.

Mr. **Solomon**. OK. And you pass along that I want him to tell you to do it, OK?

Miss **Starbuck**. I will do so, Mr. Solomon.

Mr. **Solomon**. Thank you, ma'am. OK. We got that straight.

Now, when we had our——

Mr. **Edgar**. Would the gentleman yield?

Mr. **Solomon** [continuing]. I would be glad to.

Mr. **Edgar**. I just wanted to note for the record that the gentleman from New York and I do agree on one thing, and that is that Dorothy Starbuck does a nice job in this program. I just thought the record should be clear on that point.

Miss **Starbuck**. Thank you very much, Mr. Edgar.

Mr. **Solomon**. I always knew there was something I liked about Bob. [Laughter.]

Miss **Starbuck**. I think I have to say that many times we come up here and express our opinions on a variety of pieces of legislation. I think that our batting average would not win any National League awards. But nevertheless, we support the will of the Congress.

Mr. **Solomon**. We think a lot of you.

Just one last question, and I will submit the others in writing.

It was pointed out during the April oversight hearing that there were bottlenecks in processing the applications filed by some veterans. The New York Regional Office was one of those that was cited for the bottleneck.

Can you give us some indication as to how this situation has been corrected and whether processing delays still exist in that New York Regional Office?

Miss **Starbuck**. Processing delays do not exist in the New York Regional Office. The new director there is fully aware of his responsibilities and he is meeting them.

Mr. **Solomon**. That's good. Thank you very much, Miss Starbuck.

Miss **Starbuck**. You're welcome, Mr. Solomon.

Mr. **Leath**. Thank you, Jerry.

The gentleman from Pennsylvania.

Mr. **Edgar**. Dorothy, I just want to go through a series of very quick questions to get the record straight, given the controversy we had earlier today.

Is it true that the administration objected to this particular proposal as it was working its way through the legislative process, and didn't the administration testify against it when it came before us prior to the August 1983 signing of the bill?

Miss STARBUCK. Yes, Mr. Edgar.

Mr. EDGAR. And didn't the President, in signing the bill, say "The Nation has a special commitment to those who have served in the military. They did their best for us; now we must do the best for them"? Wasn't that a sentence in his speech in August 1983 to the VFW when he was signing the bill?

Miss STARBUCK. Mr. Edwards has quoted him as saying that. I will agree with that.

Mr. EDGAR. I am pretty sure the record would indicate that that's true.

I am troubled by the fact that it wasn't until October 3, 1983, which is after our budget deadline, that the President sent up a letter requesting $150 million, $25 million of that to come out of a transfer of funds from readjustment benefits, and $125 million of that coming out of other programs. Is that not true?

Miss STARBUCK. No, there were two actions taken. Initially we were provided—and I'm going to check with Lou and Jim Kane on this—$75 million of it came to us in a continuing resolution, and $75 million came to us in specific appropriation legislation.

Mr. EDGAR. Our records indicate that October 3 was the first time we had gotten any affirmative action on the part of the administration for the $150 million. I think you're correct, that it came in two separate pots, one in a supplemental and one in the regular budget process. The total was $150 million.

It just seems strange to me that the administration not only opposed the program but waited so long to request the funding for it, and the funding is then put in place.

The next question relates to the number of people. I think you testified that there were less than 14,000 people who have been placed in this last year; is that correct?

Miss STARBUCK. We now have, as of September 10, over 14,000 people placed, yes, sir.

Mr. EDGAR. Given the action of your Department, the Department of Labor, the State offices of employment services, the regional VA people, does that seem a bit low to you in terms of the total number of veterans we were hoping to respond to with $150 million?

Miss STARBUCK. I think the impetus that we have seen and the growth that we have seen in the last several months, Mr. Edgar, bodes rather well for us possibly meeting that first year figure of about 20,000 in training.

Mr. EDGAR. Given the fact that the chart, if we were to put it on a graph, would show a giant increase in the last couple of months, versus the first 6 to 8 months of the program, where you could see that giant blip, it seems really very strange that the administration would come in only asking for a 2-month extension. I mean, there is still a great deal of unemployment in Pittsburgh and Johnstown, pockets of poverty, 20 percent or more unemployment in the city of Chester in Pennsylvania, high levels of distress throughout the older industrial areas of the northeast and midwest, still over several hundred thousand Vietnam veterans who are still not part of the mainstream of society. I guess I have problems.

I know why you had to testify for a two-month extension, but it just troubles me that facts look like the program got a late start, it stumbled and bumbled for a little while, and then it went up in a significant way because of your management and the management of the Department of Labor and the regional offices in the street. And then you've got this 2-month extension.

I'm just curious as to why the administration thinks that 2 months is enough to handle the problem. Is it only because they are looking at national statistics of unemployment and feel comfortable about the fact that nationally unemployment is down?

Miss **Starbuck**. Well, I think that could perhaps—and I'll ask Jim to talk a little bit about this—I think the perception is that in the areas you mentioned, Pittsburgh, Johnstown, Chester, there is not the economic growth in those areas that is going to produce positions into which unemployed veterans can be placed. There is nothing in what we're doing or what really anyone can do in the development of jobs that are not supported by the economy of the country. I think, sad though it may be, we're going to have to face the fact that within specific, very economically-deprived areas, there will continue to be a high level of unemployment because the jobs that have disappeared from those areas are not going to reappear, and the economy of those specific areas is not sufficient to attract new employment opportunities to the areas.

Mr. **Edgar**. Dorothy, you may be correct as it relates to Pittsburgh and Johnstown because I'm not as familiar with the western part of the State of Pennsylvania, but that isn't correct as it relates to the city of Chester. Chester has over 20 percent unemployment. It happens to be a predominantly black city that everybody neglects as an economic effort. Around Chester, over the last 10 years, the number of jobs created has soared dramatically. At the same time, the level of population has decreased by 8½ percent. We see in each of our small manufacturing centers around the city of Chester enormous growth—some high tech, a lot of service, a lot of information jobs. The Philadelphia airport just picked up the Military Airlift Command. There are two hotels and a trade center coming in. The industrial parks are blossoming. The industrial developers are telling us every 5 years they're filling up the industrial parks and moving on to start another. There is a great economic expansion all around this city that is ranked third in level of distress of all cities of its size.

This program that you're running would be an enormous opportunity for a number of the blacks and minorities in the city of Chester, who did serve in the service, to be retrained and reskilled in some of these emerging industries which are as little as 5 minutes driving time across a bridge or down a highway, in communities like Eddystone.

Boeing-Vertol is having a 5½-percent per year increase in defense growth because of its readiness capabilities with Chinook helicopters. That's about 6 minutes away from the city of Chester. I just point that out.

Again, I don't know about Pittsburgh and Johnstown, but it seems to me that if the regional office of the VA, and the Department of Labor, and the State Employment Office, really wanted to do a job on a city that has a high level of distress, particularly among minorities, in training and retraining and retooling, they could fill 14,000 jobs just in the city of Chester, with the economic growth that's occurring in and around that area. Almost all of the money that we've allocated in this program could be utilized in just that one poor distressed area. Of course, that's not going to happen.

So the reason I get so frustrated, at putting in place a program and seeing foot dragging on it, and then people coming around and getting excited about it, is that I see very dramatically in Chester, in Camden, in Newark, in Johnstown, in Pittsburgh, in older industrial areas, where there has been a decline in manufacturing jobs, a growth in small businesses. And one of the problems with those small businesses is that they are mom and pop operations.

David Birch from MIT reminds us that that's where most of the growth is taking place in the northeast, that most of the new job creation is coming in the 0 to 20 employee firms. This program would be exciting to small- and medium-sized businesses, who could get some Federal subsidy to put people to work in new positions—and these are the companies that are doubling and tripling in size over that 5-year period. But one of their problems is the paperwork, the redtape, the auditing. And for the veteran, the fact that the IRS now wants to come in and tax these benefits because they're not directly related to what they consider veterans' benefits, is really troubling.

I am pleased that on your form you have taken the little statement on the back and downplayed it, rather than having it up front with a box around it. I think that's helpful. But for some of these small firms, they don't have a big office complex like Lockheed or General Motors would have, to be able to sort these forms. It is just one or two people in the office trying to keep their head above water in a new idea or imaginative growth industry. Those are the very firms that could be hiring people that I know are unemployed in my area. The marriage could take place, and it doesn't have to be forever. I'm glad the economy is turning around. I'm nervous maybe a little more than Mr. Solomon about some deficits that I see looming in the future. But clearly, the economy now is booming, and it is the time now to get at those pockets of poverty.

This program, along with targeted job tax credits, along with some other training programs, could be an enormous help. I can speak as an activist in the Northeast-Midwest Coalition. I had hopes, at least for the veterans' community, this might have been a stimulus to help retrain thousands of steelworkers, thousands of autoworkers, 50,000 railroad workers at Conrail, who are never going back into those industries, for some new skills and new tools, new training, new opportunity.

You know, I have to give the program a C−, even after the growth, at this point. If it's going to be up to getting a B in the next couple of months, it's going to need more than a 2-month extension.

I yield back my time.

Mr. LEATH. I thank the gentleman.

We are delighted to have the chairman of the full committee, General Montgomery, with us this morning. Mr. Chairman.

Mr. MONTGOMERY. Thank you, Mr. Chairman.

I do think this hearing certainly is necessary. This is a major new program, and it has been pointed out how hard it is to get a new program started in a Federal department. But I have learned this morning about the problems on audits, and it seems Miss Starbuck will watch that and be on top of it. You can frighten an employer when he sees a Government agent coming into his or her business.

Second, Mr. Chairman, it seems to me you have to extend this program 6 months. Two months is just not even reasonable. We just can't do things that quickly. I think the program is really moving ahead now. I try to move around and talk to people who administer the program. As you recall a couple of weeks ago when you were there, Jerry, when we had some people from the Department of Labor, who are working in this program, the ones outselling the program. We asked them, and to a person they agreed that we were doing some good, that we were helping the Vietnam veteran and the disabled veteran and some Korean veterans.

So as far as I'm concerned, the program is still needed, and it needs extending.

Thank you, Mr. Chairman.

Mr. LEATH. Thank you, Mr. Chairman. We are delighted that you came this morning and we appreciate your comments.

I have one other thing that I would like to mention, Dorothy, which I wasn't aware of until counsel just told me, and that is that the IRS has ruled that the benefits paid to the employer under this program were taxable, which just absolutely drives me up the wall. That's the most absurd thing I have ever heard in my life.

Do you know at this point whether this ruling has had any significant impact on the employer participation in the program?

Miss STARBUCK. So far we have not seen any adverse impact on that, Mr. Chairman.

Mr. LEATH. What is the tax status of other Federal employment programs that pay similar type benefits to the employers such as the JTPA, for example?

Miss STARBUCK. I have no knowledge of that, sir.

Mr. EDGAR. Would the gentleman yield?

Mr. LEATH. Yes.

Mr. EDGAR. What is your opinion about whether or not the Department of Defense education programs should be taxed? Do you have an opinion on that? The kind of new-look GI bills that have been put in place, the test programs and things, should they be taxed by the IRS?

Miss STARBUCK. No, sir; those are benefit programs.

Mr. EDGAR. Thank you.

Mr. LEATH. I have also just asked counsel, Dorothy—and you might remember this. I think, unless I'm really off base—and some of my colleagues might remember—I think there was an adequate record established in the hearings that this was not an incentive but that this payment would, in fact, be an assist to the employer to train that employee.

Miss STARBUCK. That is correct.

Mr. LEATH. I have asked counsel to go back and look at that, and we have also asked counsel to draft us a bill, which we intend to drop in Monday, to make sure that the Ways and Means Committee has an opportunity to head this thing off before it does start. I would just like the record to show that. I think the entire committee would be totally incensed at this, which I recognize is not your action. But I think that should be a part of the record and that both you in the VA and the Department of Labor should know that we're going to jump on this thing very quickly.

Thank you very much. I do have some other questions, Dorothy, which I will submit to you in writing. Once again, we appreciate the job that you and your staff has done.

Miss STARBUCK. Thank you, Mr. Chairman. You're very kind. We will be pleased to answer your questions.

Mr. LEATH. Thank you very much.

Mr. LEATH. Our next witnesses will be Mr. Don Shasteen, the Deputy Assistant Secretary of Labor for Veterans Employment, accompanied by Mr. Joseph Juarez, Director of the Office of Veterans' Employment and Training Programs.

Don, we are delighted to welcome you and Mr. Juarez before the committee this morning. We do have your full statement, which we will include in the record, and if you would care to summarize, that will be fine.

STATEMENT OF DONALD E. SHASTEEN, DEPUTY ASSISTANT SECRETARY FOR VETERANS' EMPLOYMENT AND TRAINING, DEPARTMENT OF LABOR, ACCOMPANIED BY JOSEPH JUAREZ, DIRECTOR, OFFICE OF VETERANS' EMPLOYMENT TRAINING PROGRAMS

Miss SHASTEEN. Mr. Chairman, thank you very much. I would prefer to submit my statement for the record in the interest of saving time for you and members of the committee.

I would like to summarize by saying first of all that I welcome this opportunity. Mr. Joe Juarez, the Director of our Office of Veterans' Employment and Training Programs, is with me. We feel we have made substantial gains since the last appearance before your committee in April. You have heard the figures from Miss Starbuck on how the placement rate has increased since that time. We feel that the greatest factor has been the additional time that we have had to spread the word to employers, to create confidence in the program, and, of course, to work with individual veterans through the job service to match them with the available opportunities.

One activity that we feel did pay off very much was the designation by Secretary Donovan of June as "Hire a Vet Month." During that month nearly 2,000 veterans were placed in jobs in this emergency program, and 3,800 employer training programs were certified. This resulted in a spillover effect into July and August and also into September.

We arranged, as you know, to recognize the individuals who were outstanding performers in that effort during June. We brought 30 individuals and representatives of eight States to Washington to present the awards to them for outstanding performance. One of the disabled veterans' Outreach Program specialists placed 45 veterans in the State of Nevada during that 1 month. We especially want to thank you, Mr. Chairman, and also Chairman Montgomery and the other members of the committee, for receiving those individuals here and chatting with them. It meant very much to them to have that opportunity when they were here recently.

In outreach in public information, we have distributed public service announcements to about 600 television stations and 3,900 radio stations across the country. From the national office we developed and distributed eight television and eight radio public service announcements, and we also distributed three printed information items totalling nearly 1 million pieces throughout the United States. We produced newspaper articles on the programs which were distributed to 3,800 weekly and 1,000 daily newspapers. We are now developing a third round of PSA's for television and radio, and we are planning to couple this with a toll-free 800 telephone number which employers can use to inquire about the program.

There have been additional efforts at the State and local levels, some very fine PSA's and newspaper articles, advertisements, local radio and television programs that were put on by DVOP's and by administrators of employment security agencies, and in some instances, which you will hear from our panel, public service announcements and involvement that took place from the Governor himself.

With regard to management actions and other steps that we have taken to try to improve performance under this program, we established placement goals for each of our States. We have been reviewing performance against these goals. According to the VA figures, we have six States now that are over the top. I might mention that we do a weekly check through our State director in each State who in turn, through the local job service offices, monitors weekly the number of people who are working, the number of veterans who are working in this program. By our tally, which has been running some 3,000 to 4,000 ahead of the VA because of the paperwork turnaround process, before those placements are finally approved, by our tally there are now 13 States over the top.

We have some figures that we can submit to you on that, but we don't want to confuse the issue with them.

In dealing with the States that have not been good performers under this program—and we have a number of those—I have started scheduling personal visits to those States which seem to be lagging and which have fallen behind their goals—particularly those which have large goals. I visited four of these States and I'm scheduling at least six more.

What we are trying to accomplish is to focus attention on this program among the top policymakers at the State level, the administrators of the employment security agencies, the appointees of the Governor who are in charge of implementing the responsibilities of the employment service.

In this regard, also, we have a second effort underway. We have enlisted the assistance of the national job service employers committee in those States which are having problems, in an effort to make the employer community there even better aware of the program. A copy of our latest report showing accomplishments against goals for each State, using the latest VA figures that we had—which I think, though, are a little bit behind the figures that Dorothy presented this morning—a copy of our latest report is included in my statement.

We also mailed the previous report to each Member of Congress, each Governor, so that they could see how their State was doing, in the hope that it might generate additional activity in the program.

I want to mention a very positive finding, that a significant number of certified veterans registered with the job service were placed in permanent jobs other than emergency program jobs. This was brought home to us particularly from the State of Massachusetts when your regional director up there, Bob Moakley, wondering why Massachusetts was not placing more veterans in this program, arranged for a followup check to be made with the local job service offices to find out whether these certified veterans had been placed in other programs. He found that an amazingly large percentage, 69 percent, that of all of the certified veterans in the State of Massachusetts certified for this program that had been placed in jobs of one kind or another, only 9 percent were in this program, the other 60 percent in other programs.

So we followed that up with some checks on the State of Kansas and State of Missouri, and we found similar results there. Our panel, when you bring our panel up in a little while, our State directors will provide you with even more information along that line.

We still have much room for improvement. No matter how effectively we think we're publicizing this program, I still hear stories of employers who haven't yet gotten the word. I can assure you that we are doing everything possible to see that the word gets out. Our field staff, the Veterans' Administration, the Job Service, veterans organizations, and many others have given us ideas and are working very closely with us to make this program successful.

Our Job Training Partnership Act programs also are contributing. In the spirit of this legislation, Mr. Chairman, we have used to a great extent our Job Training Partnership Act funds to help make this program successful.

I want to touch on the apparent gap between the number of certified jobs and the number of certified veterans. That's a matter of great concern to us, as I know it is to you. Why aren't more veterans being placed in those jobs? We put this question to many of the DVOP's and LVER's and other Job Service people who came in here for our awards programs, and they came up with two basic reasons. The first was that there are other job training programs that allow for speedier approval and placement and that, as all of us know, veterans unemployed for a minimum of 15 of 20 weeks are not a particularly easy group to get back into the labor market.

So we know, Mr. Chairman, that we have made progress. We're not all the way there yet. We know there need to be more improvements and we want to cooperate and work with this committee to achieve those improvements. I can assure you that we are going to place at least 30,000 veterans under the program by March 1, 1985. Under the right circumstances, I would add, Mr. Chairman, I think most of these could be placed by January 1.

I will be glad to submit to any questions that you might have.

[The statement of Donald Shasteen appears at p. 67.]

Mr. LEATH. Thank you, Don.

I want to personally pass on to you and to Secretary Donovan that we really appreciate the interest that the Department has obviously taken in this program. I thought the bringing in of those field people a week or two ago and giving recognition to them for the job that they did, and doing so on that level—and, Dorothy, I think this also should go to Harry Walters. I know that he personally has been tremendously interested in this program from the start, even though he didn't get very strong support from OMB on it. So I wish that you would express to Secretary Donovan the fact that the committee and the veterans of this country greatly appreciate the fact that he has taken a personal interest in this.

Mr. SHASTEEN. Thank you. I can assure you he feels very committed and very strong about this, because I hear from him regularly on it. If we don't achieve our goals, I'm going to feel the sting of his whip.

Mr. LEATH. Well, I have a great admiration for Ray Donovan. I know that is a sincere effort and we appreciate it very much.

I meant to get into this with Dorothy somewhat when she was here and it slipped me, commenting about the difference in your statistics and their statistics. For example, I would assume that that probably has to do with the fact that it is taking a week or better to get those things back to the VA for their approval once you found a job for that veteran.

In your judgment, would it be beneficial to the program if VA could delegate to you the authority to match that veteran with that job right there on the spot, as opposed to having to go back?

Mr. SHASTEEN. We have talked with a number of our people in the field about that. They feel that they could be more effective in placing veterans in this program if they could certify the jobs and the matches or the hires at the local level. That does not mean that every local Job Service office would accept this responsibility if immediately delegated to it. But we are confident, from the number of contacts we have made—and you can verify this with our State directors who will appear in a panel in a few moments—that this would substantially increase placements in the program and that with a little training we could have all of the State agencies and the local offices prepared to handle that responsibility very capably.

Mr. LEATH. Do you know if that would be legal for VA to do that, if there would be any restraint as far as the law itself is concerned?

Mr. SHASTEEN. No, sir, I do not. We have not looked into that aspect.

Mr. LEATH. I would encourage you to do it. There again, I say I meant to mention it to Dorothy and in the process of moving on forgot to do it. So I would really appreciate it if you would get your counsels together and see if that's not possible, because to me that would be a good thing to do. Once the VA has certified the individual and has certified the employer, I would think that that wouldn't create any problem whatsoever, and if we can get that done a week or 10 days or 2 weeks quicker, I think it would be the thing to do. So we would encourage that you do that.

Mr. SHASTEEN. We would be glad to look into that. I know in the State of Virginia and also in the State of Maryland that issue was raised under title III, for example, of the Job Training Partnership

Act. The Job Service in Virginia can deliver the product immediately, the person to be employed.

Under our program, the Job Service has to say, "Well, we've got a match here, but you can't put the veteran to work yet because we don't have——"

Mr. LEATH. Excuse me. Dorothy, would you just sit there just a minute? We got into something here that I want your comments on.

I was just discussing with Don the possibility of the VA delegating authority to match the job with the veteran in the field as opposed to us having to come back and get approval of that once we've got it done. What I was just saying, I would really like for the two agencies to explore that.

Miss STARBUCK. We have had some preliminary discussions on it, Mr. Chairman. Certainly we'll be happy to take part in some further exploration on that. Our initial reaction, as you know, was that there was really no authority to delegate the responsibility that was fixed with the Administrator in the legislation, that we felt having the responsibility for the approval and the further responsibility for assurance that those approvals were correct and were working would not be something that we would want disseminated. But we'll take a look at it.

Mr. LEATH. I wish you would. If there is anything we need to do legislatively to assist you in that field, if you will let us know on a timely basis, we'll attempt to get that done. It may be hard to do in the balance of this year, but if intent has anything to do with it, I think the intent of the committee is for it to take place as quickly as possible. We don't care which hand does it.

Mr. SHASTEEN. We will have our Solicitor's Office get together with Dorothy's counsel and get back to you with an answer.

Mr. LEATH. Thank you. And thank you, Dorothy. Don, do you believe that the 25 percent compliance survey is necessary to ensure the integrity of this program?

Mr. SHASTEEN. I really can't comment very intelligently on that, but I do know that we have had a lot of complaints from the field about that high an audit percentage. We have had complaints which you will hear from our State Directors in a little while. We have had complaints that that has turned off a lot of employers.

Some, even after they have filled out the notice of intent to hire, will go ahead and put the veteran to work and not send the notice in when they learn there may be an audit, they have a one in four chance of having that kind of audit, and also that it would include the EEO portion of that audit. Our State Directors have mentioned that to us as a problem.

Mr. LEATH. That was going to be part of my follow up, so I'm glad you expanded on that. As you know, we discussed that at length with Dorothy and she's going to get that changed for us.

Mr. SHASTEEN. Right. I think 10 percent is much more satisfactory.

Mr. LEATH. In April, at our earlier hearings, you indicated that most of the participating employers were small business employers. Has this continued to be true and do you know right off the top of your head if we do have any Fortune 500 types that are participating in the program?

Mr. SHASTEEN. I don't know off the top of my head, but I do know that, by and large, the employer participants in this program are small businessmen.

We have reached out to the large businesses. We have tried to interest them in the program. I think our State Directors will be able to tell you some instances where they have listed a large number of jobs for certification and had them certified, but they are not filling all those jobs at one time. Only a portion of those jobs will they take each month. So we really haven't had much success with the larger companies yet, although we have tried.

Their personnel agencies seem to have their own systems for testing, evaluating, bringing into their companies the people that they're going to hire. They don't work as much through the Job Service as we would like to have them work. We especially are interested in getting Federal contractors to list their jobs because they are required by law to do that with the Job Service. So we are pushing that aspect, to get some of the larger employers to take part in this program. But so far we have not been very successful. Most of the employers have been small businessmen.

Mr. LEATH. It has been suggested to the committee—of course, there was some discussion about this, as I recall, back when we were going through the legislative process, which I was opposed to changing at that time, but I think if it will be helpful now, certainly we can reconsider that. That is the fact of the criterion of 15 of the last 20 weeks of unemployment provision could perhaps be changed to say a figure of 5 weeks.

In your judgment, would this be an improvement in the program? What would be your thoughts on a change like this?

Mr. SHASTEEN. I feel it would be an improvement of the program, and it would enable us to reach a number of veterans who are now being told that they have to wait another 10 weeks, or where we have had instances where a veteran has lost his job, maybe a job he held since he came home from the Korean war, the Vietnam war, and immediately, in order to put food on the table and a roof over the heads of his family has gone out and on his own obtained two or even as many as—In the State of Oklahoma we had one who obtained three jobs, a day job, a night job, and a week-end job, and then looked into this program. Well, that veteran was doing the right thing by going out and looking for another job, in that instance a total of three jobs, and then could not qualify for this program because he was working.

That, in my judgment, is counterproductive. If we can make this program available to veterans who are drawing unemployment compensation, it is possible that we can save the employers some taxes because we can take that veteran off the unemployment rolls before his or her unemployment compensation runs out and put that veteran to work and effect, in the long run, a savings to the employers in that State who are paying that tax. I think that would make this program more productive, to reduce that waiting period to 5 weeks or even less.

Mr. LEATH. I think that is something, in view of the experience we have had at this point, we sure want to look at and see if we can't perhaps make that change.

Jerry?

Mr. **Solomon**. Thank you.

Mr. Chairman, before I ask any questions, concerning my exchange with Congressman Don Edwards earlier, I just want to say that Don Edwards is a fine guy and he's a great asset to this committee.

I just wanted to follow up on one question that Marv had. Just through the rumor mill, I have heard that one white collar industry, which is a large industry, has absolutely refused to participate in this program. The excuse was that veterans, Vietnam veterans, disabled veterans, are more prone to on-the-job injury and, you know, it could cause additional expense. Of course, we all know that's an old wives' tale. As a matter of fact, it has been proven time and again that disabled veterans actually take better care of themselves than maybe somebody else might.

But if there is anything like that—I don't mean for the record necessarily—but if the Department of Labor would discuss it with Marvin, I would just like to know if there is that kind of feeling out there and maybe there's some way we can turn that thing around.

Along that same line, Mr. Shasteen, I asked at the April hearing if you had any kind of a breakdown in terms of what fields the successful applicants were being placed in—in other words, manufacturing as compared to service industries, et cetera. Has your department come up with any figures that would show any kind of a percentage breakdown of where these people are being successfully placed, in what kind of industries or jobs?

Mr. **Shasteen**. Joe, I'm going to defer to you on that.

Mr. **Juarez**. The Veterans' Administration will have some of that data available because of how their records are kept. We also will have that information for those that the Job Service places in the program. We can provide that for you, Mr. Chairman. I don't have it available with me.

Mr. **Solomon**. I really would like to see that some time when we can get it, just so we can get some feel of where these jobs are going.

I have a series of other questions, but, Mr. Chairman, I do have to catch my plane pretty soon, so I'm going to submit them to you, Mr. Shasteen, and would appreciate if you could get the answers back to us.

Mr. **Shasteen**. We would be glad to do that.[1]

Mr. **Solomon**. Thank you.

Mr. **Leath**. Thank you, Jerry. And, Don, thank you again, you and Mr. Juarez, for joining us. We again want to tell you we appreciate the interest that you have taken in the program and we'll look forward to working with you and making it as successful as we all want it to be.

Mr. **Shasteen**. Thank you very much. It's a pleasure to be here.

Mr. **Leath**. Our next group of witnesses will be a panel of the VA Regional Office Director, consisting of Mr. Richard Murphy, Director of the Seattle, WA office; Mr. Harold T. Bushey, Director of the Pittsburgh, PA office; Mr. Anthony R. Lentini, Director of the

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[1] See p. 122.

New Orleans, LA office; Mr. John J. McNiff, Director of the Boston, MA office; and Mr. Roy Wetherell, Director of the Indianapolis, IN office.

Gentlemen, we are delighted to welcome all of you here this morning. If you would like, I would like to begin with Mr. Murphy on this side over here. Perhaps each one of you could make a little short 1-minute statement or so, to kind of lay our opening feelings and positions and so forth out, and then we'll go from there with some questions. Feel free at any time throughout our interchange of thoughts to seek recognition and put in your 2-cents worth because that's what we have you here for this morning, to find out how we can make your job easier and find out some of the problems that you might be facing in the program.

So, if that is agreeable, we will start with you Mr. Murphy. Give us some brief comments as we go around the table, and we'll go from there.

STATEMENTS OF RICHARD F. MURPHY, DIRECTOR, VA REGIONAL OFFICE, SEATTLE, WA; JOHN J. McNIFF, DIRECTOR, VA REGIONAL OFFICE, BOSTON, MA; HAROLD T. BUSHEY, DIRECTOR, VA REGIONAL OFFICE, PITTSBURGH, PA; ANTHONY R. LENTINI, DIRECTOR, VA REGIONAL OFFICE, NEW ORLEANS, LA; AND ROY WETHERELL, DIRECTOR, VA REGIONAL OFFICE, INDIANAPOLIS, IN.

STATEMENT OF RICHARD F. MURPHY

Mr. MURPHY. Thank you, Mr. Chairman.

In the State of Washington to date we have issued Certificates of Eligibility to over 7,500 veterans. We have approved over 1,400 jobs from over 1,000 employers. The last report I have shows that 609 of these veterans have been employed in the program funded.

Comparing regional offices, we have ranked in the top five of veterans employed and have committed over $3 million. We have had close cooperation with the Department of Labor and the Washington Department of Employment Security. We have a weekly conference call with these organizations to discuss problems and exchange data.

With our participation, Governor John Spellman formed an Advisory Council on Veterans' Business and Employment. Besides the normal complement of bureaucrats on the Council, members were from major private sector employers, such as Boeing and Weyerhaeuser and the Washington Business Association, representing over 7500 small firms in the State. Council members have actively promoted the bill in terms of both hiring and selling the program to other employers.

Recognizing that matching jobs with veterans was a critical element in our program, very early we developed a computer-produced listing of approved jobs and veterans, sorted by ZIP Code, which we then gave to the Department of Labor which distributed it to the Job Service Centers in the State.

If we have been successful by any measure, it is because of commitment, planning, and communication between all concerned.

Mr. LEATH. Thank you. Mr. McNiff.

STATEMENT OF JOHN J. McNIFF

Mr. McNIFF. Since the law was enacted on August 15, 1983, the Boston Regional Office has worked closely with both the Department of Labor and the Massachusetts Division of Employment Security in a concerted effort to provide Massachusetts veterans with the best possible job opportunities. The DEC has distributed letters and fact sheets to all active employers in the State, approximately 25,000, relative to the EVJTA. Regional Office employees have participated in joint meetings with DES, DOL, the private sector, and community and veterans groups, to publicize the program. We have received significant TV, radio, and newspaper coverage.

As of September 4, 1984, we received 1,810 applications for the program. Approximately 117 veterans have been placed out of 242 available job slots. One-hundred and eighty employers have filed for approval. Significantly, because the EVJTA provided an incentive to get veteran job-seekers into DES offices, an additional 755 veterans have been placed in other than EVJTA slots. This has resulted in the total placement of 872 veterans who applied under the program.

Although we have taken every possible step to implement the program, we are less than satisfied with the veteran participation rate. The fact that our unemployment rate is the lowest among the industrialized States is one of the primary reasons we have not been more successful in attracting job-seekers. Additionally, jobs are available to veterans in divergent programs such as JTPA, the PIC, the TJTA, and other Federal, State, and local programs. These factors have contributed to a reduced participation rate.

Mr. LEATH. Mr. Bushey.

STATEMENT OF HAROLD T. BUSHEY

Mr. BUSHEY. Thank you, Mr. Chairman. It's an honor for me to testify before the committee here, and it is especially a pleasure for me, in light of the success we have experienced with the Emergency Veterans' Job Training Act in Pennsylvania, specifically at the Pittsburgh Veterans' Administration Regional Office. I know we can accomplish a lot more than we have done.

We have a high unemployment rate of 11.7 in the Pittsburgh area, and over on the other side, the eastern part of the State. As of August 16, 1984, Pennsylvania ranked fourth in the Nation with 741 job placements involving a total of over $3 million. The Pittsburgh VARO ranked 10th in the country with 414 job commitments, providing a reimbursement to employers totaling $1,876,000.

The key to our success in western Pennsylvania can be attributed to three major factors—management emphasis, extensive outreach, and cooperation and support from the Employment Service. Following the lead of the Administrator and Dorothy Starbuck, our Chief Benefits Director, we in Pittsburgh placed the highest priority on the implementation of this act.

Applications from veterans and employers were given special handling to ensure expeditious processing. Our outreach effort utilized every vehicle available, including a major media campaign, participation in employment seminars, a full day's telethon on a major network, and conferences conducted by local groups and private sector groups.

Despite the numerous other placement programs administered by the Employment Service, you might say the management and staff of the Employment Service did give this the highest priority and we are now enjoying much better figures than we've had before. I know we can do better.

I want to thank you for giving me the opportunity to share with you our experiences of the Emergency Job Training Act.

Mr. **Leath**. Thank you.

Mr. Lentini.

STATEMENT OF ANTHONY R. LENTINI

Mr. **Lentini**. Mr. Chairman, let me briefly summarize the efforts and experiences at my station. As of September 18, we have received 3,876 veteran applications. We have issued 2,980 certificates of eligibility and found 709 veterans ineligible. Three-hundred and twenty-two renewal applications have been received. As of yesterday, we were current in processing initial and renewal applications.

We received 383 employer applications; 304 were approved and 74 did not meet approval requirements. Currently, we have 482 job slots approved, with only 85 veterans placed.

Our career development center has made field contacts with State agencies, community based groups, business establishments, and had telephone and personal contacts with 116 prospective employers. In November we issued news releases to over 300 media outlets in the State. In December we released letters to over 140 employers who had training programs approved for veterans under chapter 34. We have released an average of one news release a month to all of the media outlets in the State, and that's over 300.

Our Veterans Service Division personnel have conducted personal visits to 110 potential employers in job development activities and participated in 18 public speaking engagements in community organizations. We have developed a microcomputer program for weekly mailing of updated listings of approved employers, as well as listings of veterans with active certificates of eligibility to the directors of VETS, Job Service officials, the Vet Center, and the Louisiana Vietnam veteran leadership program.

My personal efforts have been directed toward meeting with the Department of Labor officials and State officials, appearing on radio talk shows and bringing the message to service organizations. I met with the Governor of Louisiana when he issued a proclamation designating June, "Hire a Vet" month. All newspapers, radio, and television stations in the State were mailed a news release announcing the proclamation.

Two statewide meetings with the State secretary of labor, Job Service officials and their representatives, the Director of Veterans' Employment Service and DVOP's, were attended by regional office personnel. The training session was held with these same people at the VA Regional Office. Another statewide meeting is scheduled for next week in Louisiana.

Mr. Chairman, this concludes my opening remarks.

Mr. LEATH. Thank you.

Mr. Wetherell.

STATEMENT OF ROY WETHERELL

Mr. WETHERELL. Mr. Chairman, members of the subcommittee; it is indeed a pleasure to have the opportunity to appear before this committee with information concerning the Emergency Veterans' Job Training Act of 1983. This new program was favorably received by our office and was viewed as another opportunity to assist veterans in the area where help was needed.

Unemployment is quite high in Indiana at this time, 9.1 percent, primarily due to the slowing down and closing of many steel mills and automotive-related industries. This situation did present somewhat of a problem for us. Although we had a good resource pool of veterans needing assistance, available training opportunity with employers appeared to be minimal as many already had employees in a laid-off status.

We have placed high priority on this program to ensure that no stone was left unturned in our effort to coordinate, assist and inspire to the maximum extent possible all agencies, service organizations and others throughout the State of Indiana, who could possibly help make this program a success. We wanted to ensure that every veteran who met the qualification requirements for the program had an opportunity to be considered for employment.

We did encounter some obstacles, such as a reluctance on the part of the State to get involved before the funds for the program were appropriated. However, the problems were overcome and we have continued to gain momentum. To date, we have 3,391 approved veterans applications and have provided counseling to 480 veterans. There have been 267 applications approved, with a total of 1,152 job slots and 112 veterans accepted in the program. Nationally, we rate 38th out of 57 stations.

We feel this program is now more widely accepted and that the network is in place to continue action that will result in more placements prior to determination for entry in the program. We are confident that we have thoroughly pursued this program in our State to guarantee maximum benefit of this legislation for our veterans. Although confident, we have not become complacent and will continue to beat the bushes to eliminate the possibility of any veteran being unable to participate in the program due to lack of effort on our behalf.

Thank you for inviting me to appear before this subcommittee. I appreciate the opportunity.

Mr. LEATH. Gentlemen, thank you. I appreciate your comments.

I have just done a little quick calculation here on some of your statistics, and it is quite glaring that if you look at Mr. Bushey's percentage of placements to the number of job slots approved, it is quite good, 58.22 percent. You look at Mr. Murphy's placements in relation to the job slots approved, it is again quite good, 41.4 percent. But I notice for the other three, Mr. McNiff has a 5.4-percent placement in relation to job slots approved—I understand that you have a very low unemployment rate. But when we're comparing actual placements to the slots that have been approved, I think that's a little bit different category. Mr. Lentini has a 17.5-percent placement in relation to the slots that have been approved, and Mr. Wetherell 9 percent.

I would be interested to know what two of you are doing that is resulting in a substantial, or at least as far as the five that we're comparing today, rate of placement as compared to the slots approved, as to why there is this big difference. I can understand that if you've got a low unemployment rate or this, that, or the other. But if we've got the employers, we've got the jobs, we've got the slots, we've got the veterans, why aren't you placing them?

I would like for all three of you to respond to that.

Mr. LENTINI. Mr. Chairman, I'm one of the low States. I would like to respond.

Mr. LEATH. Pull the microphone around to you a little bit, Tony.

Mr. LENTINI. I met with Department of Labor vets people, the State officials, on this. We had a meeting for 3 hours to make an analysis of what the problem was in Louisiana. I have to tell you that this came out of the meeting.

We had an election in Louisiana and a change of administrations. The job service people, from last November until early this summer, were not permitted to go out in the field. The local managers were told that their people couldn't go out. Now, this was told to me in the presence of the Department of Labor people. I asked if I could mention that and was told I could.

That created a problem. In addition to that, we have depressed industries in the State, petrochemicals. In that area the unemployment rate is over 13 percent. In the State of Louisiana, it has been 2 percent over the national average, almost consistently.

There has been a considerable number of layoffs in the saw mill industry, which is tied in with the home-building industry, and these places will not take on new programs until the layoffs are rehired.

In addition to that, I am told—and out of that meeting—a great number of our veterans are hardcore unemployed. They are unmarketable, they are undereducated. As an example, 14 people were referred to one McDonald's before one was selected.

I think the gentleman from the Department of Labor mentioned that this program is in competition with the Job Training Partnership Act and it was brought out in that meeting that it is in Louisiana, that they have all the money they need. In fact, in all the parishes and counties of the State, only one ran out of money in that particular program.

This is a plus. The Department of Labor has established a goal for Louisiana to reach by December 30 of 480. That has been mandated for December 30. The administrator of the employment security office in Louisiana told his people they have to reach that goal by November 30.

Last week we picked up 17 placements, from 68 to 85, so apparently these priorities are beginning to pay off a little bit, and hopefully we'll see some improvement in the program.

Mr. LEATH. Thank you.

Before I go to the other two gentlemen, let me say I recognize that the placement part of the program is more the Department of Labor's responsibility than it is yours, so I recognize that once you get the employers approved and the applicants approved you have done esentially what is the big end of your program. I know it has got to be frustrating to you that something is not clicking. Of course, we're interested in finding out what that is.

If I understand what you're saying, Mr. Lentini, it is that first of all you had a problem with the State job service people and the fact that you had the change in administrations, and I'm delighted that Labor has set a goal for the State now. But have you had a problem in getting the Labor Department to carry out the ultimate part of the program, which is to match the job with the applicant? Has that been a significant part of the problem?

Mr. **Lentini**. We have something now that is paying off. I know you're looking for ideas. We have an agreement in the State that if they find a veteran that is not certified, or an employer who is not approved, or if one is approved, send the application directly to the director and we would walk that through because it's a match. It is difficult to find matches in Louisiana. I am happy to say that in 1 week I had four of those come in my office.

I know that is not significant, but we see some results coming from that.

One other thing, Mr. Chairman. It is preferred in our State that we do not make direct referrals. That is done through the job service office. In fact, that's an agreement we have in our work plan.

Mr. **Leath**. Are you getting cooperation now from the job service offices?

Mr. **Lentini**. Oh, yes, sir. We're getting cooperation from them. We're almost in contact daily. I am also talking with the regional director of vets in Dallas, who is very helpful.

Mr. **Leath**. I appreciate that, and knowing something of your pedigree from Mack Fleming and Rufus and a lot of the other members of the staff up here, I know that you're going to jump right on this thing and make it work a whole lot better. We're looking forward to some better results.

Mr. McNiff.

Mr. **McNiff**. Well, I would like to talk a little bit about the State of Massachusetts. We have an excellent relationship with the Department of Labor and with the State. We have worked as a team. It seems to me one of the big problems we have in Massachusetts is trying to get employer interest. They have had a number of meetings up there in the private sector and they have been unable to get employers to participate in the program. The high-tech industry, for example, in Massachusetts, I think they only have one or two slots in the entire program up there.

So our relationships with our working partners, DOL and State, are excellent. We have gone all over the State and have talked to employers, we have talked to veterans groups, we have talked to the State veterans conventions. We have a Massachusetts agents group up there, where every city and town in the State has an agents group. We have talked to them. We have done everything we could possibly do and we're going to continue to do it.

Miss Starbuck continually stresses the importance of this program. We believe in it and we want it to work. As the Assistant Secretary of Labor pointed out, some 69 percent of the veteran applicants have been placed, because 9 percent came under EVJTA and the other 60 percent for the people who walked in and got jobs in another area. So we're going to do everything we can. We're working with it. But that's where we stand, sir.

Mr. LEATH. Well, we appreciate that interest and hope you will continue, as I know you will, to follow that up.

Mr. MCNIFF. We support the program and we believe in it.

Mr. LEATH. Mr. Wetherell.

Mr. WETHERELL. Yes. I might add that Miss Starbuck has been emphasizing this right from the inception, and I have, too, because I felt, with two Federal agencies involved and the State agency, that we were going to have some difficulties.

You mentioned earlier large employers. We have Lyle Electronics there, and they were approved on May 4, 1984. They have 25 different jobs or slots, 36 plants and 900 jobs. Now, this is just starting to materialize, so hopefully we will capitalize on this.

Now, what you're alluding to, Mr. Chairman, is the marriage between the job and the employer, or the veteran and the employer. I have discussed with Bruce Raidman of the Department of Labor my concern and what we could do to assist him to make these marriages, and also with Tom Miller, our new bureau of employment security in the State of Indiana. I might add he is very supportive. He was apologetic as far as the performance up to this time. He has pledged his sincere cooperation. He's been going out in the field—this is where we've been having the problems, in the field offices being complacent. He is stirring them up and I'm sure you're going to see much more success out of the State of Indiana before this program terminates.

Mr. LEATH. We will look forward to that.

I want to yield to my colleague, a very valuable member of this committee, who is always here with us through these hearings. But he does need to catch a plane, our good friend, Mr. Evans from Illinois.

Lane.

Mr. EVANS [presiding]. I don't have any questions of this particular panel. I'm looking forward to address my questions to the Director from Illinois. But I will yield to Mr. Solomon.

Mr. SOLOMON. Thank you very much. Again, I apologize for missing your testimony, gentlemen. I had to be called away for a few minutes. I don't know what you covered exactly and what you didn't.

But let me just ask, how are your respective offices coping with the increased requests for employment service counseling from unemployed veterans? I understand there has been a tremendous influx in that. Could somebody comment on that?

Mr. BUSHEY. This is correct. There has been quite a load on the counseling. We have been doing a lot of it on a group basis, and also trying to clarify if the veteran really does need counseling. I think we have helped keep the load down by trying to make calls back so they're not just traveling in to come for counseling. I think at the beginning they thought everyone had to have counseling. So I think this has been my experience and I guess my colleagues the same way.

Mr. SOLOMON. That's the general opinion?

Mr. WETHERELL. Yes, it is.

Mr. MURPHY. Very definitely.

Mr. SOLOMON. What is the average turnaround time for the processing of a veteran and employer application in each of your respective offices? In other words, how long does it take to process it and turn it around?

Mr. MURPHY. We can approve an employer application in about 4 days——

Mr. SOLOMON. Excuse me. Four days?

Mr. MURPHY [continuing]. Once we receive the package, we can get the approval out in 4 or 5 workdays.

It is taking about 5 to 7 workdays to do the veterans. This assumes that you have no questions regarding the eligibility for both service requirements and unemployment.

Mr. WETHERELL. That's about right, 5 to 7.

Mr. McNIFF. We run 5 days on employers and about 10 days on veterans.

Mr. SOLOMON. Five days on employers?

Mr. McNIFF. Yes, sir.

Mr. SOLOMON. And what, 10 days——

Mr. McNIFF. Ten days on veterans.

Mr. SOLOMON [continuing]. What would you say are some of the most common reasons for the denial of employer applications? In what areas have employers not met eligibility standards?

Mr. LENTINI. I guess, sir, the three basic requirements are that they must be in a growth industry, new technology, or the supply for labor. It's a demand.

We had applications for gas service attendants, for car wash attendants, and those are not——

Mr. SOLOMON. Not eligible?

Mr. LENTINI [continuing]. Those are not approved under this program. We have had some of those.

Mr. SOLOMON. Those are menial type jobs.

Mr. LENTINI. Yes, sir; this program is an incentive to hire and train for stable and permanent employment, where significant training is required. I don't believe significant training is required to pour gas into an automobile or wash your car.

Mr. SOLOMON. That I understand. But there is no other common ineligibility in a particular industry?

Mr. LENTINI. Well, there might be. They have 14 certification requirements. If they have layoffs, you cannot put a veteran in this program in that particular job, or if it's an equipment job. If they don't meet those certification requirements, then, of course, that would be one reason for denial.

Mr. BUSHEY. For example, ConRail in Pennsylvania gave us a commitment for 200 jobs, but they had to recall their people first, whether veterans or nonveterans, before they could come down to the 200 commitment. So this is one of the problems we have.

Mr. LENTINI. Also, if they participate in another Federal program, Federal, State, or in the private sector, for the same person, it wouldn't——

Mr. SOLOMON. That would render them ineligible?

Mr. LENTINI [continuing]. Yes, sir, for that particular person.

Mr. SOLOMON. I see, for that particular person. OK.

Mr. Chairman, I have some other questions but we'll submit them. Thank you.

Mr. **Leath** [presiding]. Gentlemen, when we talk about a compliance level audit of 25 percent, does that place demands on your staff to accomplish that level of audit that could be better utilized perhaps in hustling jobs and placement as opposed to auditing?

Mr. **Bushey**. In all honesty, I agree with you. It does place demands on our staff. We are also faced with the requirements of our inspector general that sometimes gets along to about 25 percent. And, as you heard before, I think they are going to address that and maybe reduce it.

Mr. **Leath**. The Department of Labor has established a national goal of 30,000 jobs to be filled by this program. Do you have a similar goal from your national office, or how do you measure success in the program?

Mr. **Wetherell**. Mr. Chairman, I wasn't aware that they gave me a goal of 720 in the State of Indiana until this morning. I was looking at the State of Indiana to go ahead and to at least be in the middle of the road, if not there, when we conclude this program. I feel that we will do so.

Mr. **Lentini**. In my case, the Director in Dallas and I spoke about it, and he told me that we had a goal of 480 by December, and the State has upped that 1 month.

Mr. **Bushey**. The other way we rank ourselves, Dorothy Starbuck does issue a listing to us which shows the ranking of each office, the dollar amount and number of placements made in every State, so we have that as a guideline. As I say, I know we can do better, but at least we have a measurement system to determine our progress.

Mr. **Leath**. Well, gentlemen, I want to thank you for being here. Jerry?

Mr. **Solomon**. Could I just ask—I'm having problems with my ears here. I couldn't hear what somebody said about the inspector general. Mr. Bushey, was it you? Did you mention the inspector general?

Mr. **Bushey**. Yes; the inspector general, of course, is interested in all types of compliance and also avoiding fraud in these cases. They are particularly interested in these compliance surveys, as to whether you have 25 percent or 15 percent.

But from our compliance surveys that we have been doing, we are not finding that much of a problem.

Mr. **Lentini**. Sir, one comment.

During the approval process, site visits are not routinely made. We are authorized to receive the reports of visits made by the Department of Labor as a compliance if they have acceptable information for us in our compliance system.

Mr. **Solomon**. I see. Thank you very much.

Mr. **Leath**. Thank you, Jerry.

Gentlemen, again I want to thank you. And let me really emphasize to you five distinguished gentlemen—and I hope you will emphasize that to your colleagues, as I know Miss Starbuck will—this program will work. Jerry Solomon and I in particular, and this committee in general, are not known for throwing money away. This program was designed from a perspective of the bottom looking up, I think, from the standpoint of that small business employer out there and what could work. I really firmly believe, as I said in the opening hearings we had, that this could be a model for job programs in the Federal Government, for the very simple reason that we're not eating up a fantastic amount of it in administration and so forth. We are doing it through your auspices and the Department of Labor with existing staff.

I think we can do ourselves proud if we'll really get behind this thing and get out there and make it work. I just this week sent out a news release, along with a personal cover letter, to every newspaper and television station in my district, pointing out that one of the problems with the program is perhaps a great many employers didn't know about it, and some veterans didn't know about it. I'm going to ask the staff to send a "Dear Colleague" letter to all of our colleagues in the House and suggest that they might want to do the same thing, because I'm convinced that if we do this properly we can do something we can all be proud of and that the greatest beneficiary in the end will be the taxpayers. So I just really hope you will continue to take a very strong sincere interest in this program. It's not big as programs go, but I think it's an excellent pilot.

So we thank you for your indulgence and we appreciate your being here this morning.

Mr. LEATH. Our next panel will be a panel from the Department of Labor, State Directors of Veterans Employment, consisting of Mr. Leon Scull, State Director of New Jersey; Melvin Gardner, Assistant State Director of Pennsylvania; Mr. Samuel Parks, State Director from Illinois; Ronald Miller, State Director from California; Mr. James Cornett, State Director from Texas; and Mr. Gary Lobdell, State Director from Maryland.

While you're getting seated, I would like to yield to my colleague, Mr. Evans.

Mr. EVANS. Mr. Chairman, I wonder if we could go out of order here and if Mr. Parks could testify and if I could question him directly after that, because I have to leave in about 15 minutes.

Mr. LEATH. Sure. In deference to the fact that Lane has got to catch a plane, we will ask Mr. Parks to make his brief comments.

Gentlemen, I would appreciate if you could keep your remarks brief, and then we'll do some interchange of thoughts as we did with the previous panel. So if you would like to lead off, Mr. Parks, and make your statement, then we'll give Mr. Evans an opportunity to visit with you about the particular problems or achievements that you might have accomplished in Illinois.

STATEMENTS OF SAMUEL L. PARKS, STATE DIRECTOR OF VETERANS EMPLOYMENT, ILLINOIS; JAMES H. CORNETT, STATE DIRECTOR OF VETERANS EMPLOYMENT, TEXAS; RONALD MILLER, STATE DIRECTOR OF VETERANS EMPLOYMENT, CALIFORNIA; LEON G. SCULL, STATE DIRECTOR OF VETERANS EMPLOYMENT, NEW JERSEY; GARY LOBDELL, STATE DIRECTOR OF VETERANS EMPLOYMENT, MARYLAND; AND MELVIN S. GARDNER, ASSISTANT STATE DIRECTOR OF VETERANS EMPLOYMENT, PENNSYLVANIA

STATEMENT OF SAMUEL L. PARKS

Mr. PARKS. Thank you, Mr. Chairman.

In Illinois, as soon as the President signed the bill last August, there was a meeting set up with the Veterans' Administration and the Administrator of the Bureau of Employment Security to work out plans on how we were going to implement the program. At the outset the Administrator of the Bureau gave her full support and immediately sent out directives to the more than 60 local Job Service Offices throughout the State of Illinois. We immediately began at that time reviewing our active veteran file and the inactive file to get a pool of veterans that would be eligible for the program, so once the program was in operation we would be able to immediately start contacting employers and matching the veterans with them.

We started our first phase of training for the program in October of 1983, and we were completed with the training process, the first phase of the training process, by November 15. That training consisted of utilizing the VA circulars, the draft information that we have received from the Veterans' Administration, and at least two people from each local Job Service office were trained in the implementation process of the Emergency Job Training Program.

We also went into our advertising part of the program. We immediately started sending out letters to the newspapers. We even got the major newspapers in the city of Chicago. Our biggest success was the suburban newspapers around the city of Chicago. That's where we had our biggest turnout from employers that were interested to participate in this program.

In the southern part of Illinois that's an ongoing process there. We've got a very good working relationship with the news media in that area.

Illinois was ready to operate by December 3. We got a slow start, but I would say around March the program began to gain steam. It has been gaining momentum ever since. We are looking forward to meeting our goal in the State of Illinois for this program.

Thank you, Mr. Chairman.

Mr. LEATH. Thank you, Mr. Parks.

Lane?

Mr. EVANS. Thank you, Mr. Chairman. I only have a few minutes but I would like to state some of the problems that I see in our State's handling of the program.

The goal by February 28, 1985, as I understand it, is to have 1,428 veterans placed in jobs. At this point we're 28 percent of that goal in 10 months of the program, about 410 veterans placed. If you rank the States by the percentage of meeting their goal, at this point we're about the 12th worst State, despite the fact that we are one of the hardest hit States in terms of unemployment, that we have about 20 times more veteran applications approved than employer applications approved. So I'm going to ask a few questions to gather some more information as to just basically why this is happening.

Of the 15,591 veterans that have been approved, do you know how many applications have actually been received by veterans that maybe have not been approved, or could you get me that information if you don't have it?

Mr. PARKS. I don't have that information available.

Mr. EVANS. All right. And I would like the same information available about how many employer applications actually have been approved, if you could give me that information. I would doubt that you have it today as well.

Mr. PARKS. The last count I had from—let me back up on this. The number of veteran applications is 17,863.

Mr. EVANS. Is that the number approved or received?

Mr. PARKS. That's the number received. The number approved was 16,054.

Mr. EVANS. OK. As it turns out, we have that information.

Did you, as the State Director, have any input into the actual formula? The number in terms of the target goal, 1,428 veterans, seems to be fairly low to me. Does the State, in the formulation of these programs, have any kind of input into the formulation of that goal?

Mr. PARKS. No, we had no input into the formation of that goal.

Mr. EVANS. One of the problems that we have heard about from, I think the Disabled American Veterans, is that there is inadequate information about the program itself and that there is an inadequate supply of employer applications.

Do you have problems with the dissemination of forms and information about the program in the State of Illinois? Are there sufficient numbers of forms available in local VA offices and Job Service offices, to your knowledge?

Mr. PARKS. Yes, we do. We have plenty, Mr. Evans. Back in October or November there was some problem with that, but it was kind of a minor problem. We have plenty of employer applications available, even at my office, not only the VA. We have them available for the local offices. We have them available for the veteran organizations.

As to knowledge of the program, we have spent a tremendous amount of money advertising the program throughout the State of Illinois, and we are continuing to do that.

Mr. EVANS. OK. Do you have any reason as to why we are so low in terms of actual matches to date and any hope that we can possibly, in the 5 months left, reach the goal of 1,428, which means basically you've got to complete 72 percent more placements within the next 5 months? Do you have any hope of meeting that goal by that deadline, and can you tell us why we are in the situation we're in now, ranked 12th lowest among all the States, and why that might have happened, and if we're not going to reach the goal, why we can't reach that goal?

Mr. Parks. Mr. Evans, we intend to reach the goal. We have talked with our administrator and we've got a good working relationship with the Veterans' Administration in Chicago and the State Bureau of Employment Security. We intend to reach that goal.

One of the problems in our travels throughout the State, in talking to the local Job Service staff, we have, for example, a certain employer that's got 50 training slots. He signed up for the program for 50 training slots. But they only want to use that on an "as needed" basis, which could stretch out into approximately a 6- or 8-month period. We have quite a few employers with that type of sign up.

Mr. Evans. Another question concerns the 60-day followup on the veterans that are actually placed. What kind of emphasis have you been putting on that in our State?

Mr. Parks. Well, each local Job Service office is doing a post-placement followup. We just really started that about 3 months ago. We have forwarded those to the Veterans' Administration in Chicago.

Mr. Evans. What kind of record are you seeing? Do you have any data at this point in regards to the followup program, how many veterans are continuing in the program?

Mr. Parks. Well, up to this point, the last count I had that had for one reason or another dropped out of the program was 11 veterans in the State of Illinois.

Mr. Evans. In regards to disabled veterans, do you know how many of these veterans you have placed have been disabled veterans? I don't know if the committee has that. If you don't——

Mr. Parks. I don't have that available at this time, but we can get it.

Mr. Evans. If you would supply that to the committee, I would appreciate it.

In regards to the public relations campaign, did you say you have spent money on that and you have done paid advertising?

Mr. Parks. Yes, the State agency did the paid advertising.

Mr. Evans. Any radio or television advertising, either PSA's or——

Mr. Parks. We did PSA's. We had radio advertising, TV advertising. The State of Illinois also provided us with a slide presentation to be shown to veteran groups and employer groups. They also provided us with a film for television entitled "Take a Closer Look at the Emergency Job Training Program", which we found to be quite effective throughout the State. So they have put forth an effort to assist us in publicizing this program.

Mr. Evans [continuing]. I thank you for your testimony. I will be interested in keeping track of this, and should we be able to assist you in any way, please feel free to contact me.

Mr. Parks. Thank you very much.

Mr. Evans. Thank you, Mr. Chairman.

Mr. Leath. Thank you, Lane.

Now we'll proceed with a brief statement from Mr. Cornett. I am delighted to welcome you here. I don't want to get parochial about this thing, but I'm glad to see that Texas is number one again. You've done your usual good job.

STATEMENT OF JAMES H. CORNETT

Mr. Cornett. I don't have any formal remarks to make. I can give you a few statistics on what we have done and then perhaps attempt to enlighten you on what comparative success we may have enjoyed.

At the present time, as of last week, we had received 2,400 employer requests for 6,377 jobs. Of those 2,400, 2,229 have been approved by both of the regional offices of Waco and Houston in my State. As for veterans, we have had 15,421 applications and 12,799 have been approved.

We have a goal in Texas of 1,836 placements, and our present accomplishment is 1,511. We're at 82 percent of our goal for the year.

When this bill was first passed and when the decision was finally made on the implementation of the law as a division of responsibility between the VA and the Labor Department, we immediately began to give training, both the VA people as well as our State Employment Service people, under the auspices of the Texas Employment Commission and my office, and as a result, by the middle of November, we were fully in place with all of our training and with the realization that as soon as the money was made available by OMB we would be able to implement our work immediately. And this came about.

Also, we have been very fortunate in my State to have enlisted the interest as well as the full support of the Governor. Governor White actually began this program in Texas on Pearl Harbor Day, December 7, 1983, with a state-wide press conference, in which all interested parties, including veterans' organizations, the State Employment Service, the VA, and other interested agencies were invited in for the press conference. This was, of course, the instrumentality and the support that we really needed to get the program started. It opened a lot of doors to employers which had not been readily available to us in the past.

Also, the Governor sent a letter over his signature to all of the employers in the State who pay unemployment compensation tax. We sent letters from the Texas Employment Commission over the Governor's signature to some 277,000 employers in the State. Also, the Governor sent a letter to all of the 34 service delivery areas, the private industry councils, advising them of the opportunities under this Act and to enlist their support in the publicity of the program.

Also, he sent a letter to all of the State agencies in Texas admonishing them of the responsibilities and the opportunities for State agency participation under the program. In addition, the Governor prepared, through the Texas Employment Commission media center, a TV script where he came forth, up front, and advised the employers especially that here was a good training program and that they ought to participate in it.

As a result of all these efforts, as well as the splendid cooperation that we have received from the Veterans' Administration and from the Texas Employment Commission, we feel the thing has been in place and, as I say, whatever comparative success we have had I think is due in great measure to these things that we have done, as well as the implementation at the top among the Governor's office, the directors of the Veterans' Administration, at both Waco and Houston, as well as the commissioners and the administrator and Employment Service Director of the Texas Employment Commission.

We have enjoyed this. I have been at this business for 38 years, and I believe, without exception, that this is one of the, if not the best, training programs that I have personally ever been acquainted with.

Mr. **Leath**. Jim, thank you. We appreciate that. I think your faith in the program is obvious with the job you're doing. I am very much aware of what the Governor has done. You're absolutely correct, in that he has done an outstanding job of pushing for us. I would hope that the experience we have had there, perhaps some of our other colleagues and their Governors can do the same. Your latest figures are even more glowing that the ones I had up here from the staff, so we appreciate that.

Mr. **Leath**. We are glad to welcome Dr. Miller here this morning. We had the privilege of having Dr. Miller before our committee on some field hearings in San Diego earlier in the year. Dr. Miller, we're delighted to welcome you here to Washington this morning.

STATEMENT OF RONALD MILLER

Mr. **Miller**. Thank you very much, Mr. Chairman.

Mr. **Leath**. Incidentally, you have also done an outstanding job, as we have noted here, and I knew you would from the time that we first met you out there.

Mr. **Miller**. Thank you very much, sir. It's been a combined cooperative effort.

I think when we first heard of the media attention given to the President's signing of the Emergency Veterans' Job Training Act we all wondered within our State, because of its size and diversity, exactly how we were going to implement that. However, with the three VA regional offices in California, a Job Service that has a staffing size nearly as large as the U.S. Department of Labor in toto, and the Veterans' Employment Service, we began working immediately. In early October 1983 we had planning sessions, and by late October, between October 24 and November 1, there were 11 training sessions held in California to train 335 Job Service individuals, the DVOP's and LVER's. We were ready to go, also as Mr. Cornett has indicated in Texas, at the time the money was appropriated.

One of our problems, of course, with the attention given to the signing of Public Law 98-77, was that the Job Service was inundated with veterans requesting applications. Of course, lists were kept, and as soon as the forms were available we began signing them up.

We were slow in getting our on-the-job training contracts out there. It began to improve as we got through the holiday season and into January and beyond. Since about April or May, California has been averaging a little over 200 placements a month. At that rate we may not reach the 3,186 placement goal that we have, but I think we will come very close to it.

There has been a definite commitment by all the agencies in California to make this a success. I agree again with Mr. Cornett about this program. I think it's one of the best that has come down the pike in years, and it is very important for all of us to ensure that this program is a success.

We have approximately 28,000 veterans applying, with close to 23,000 being certified, 2,800 employers and about 2,500 being approved. Our placement record could be better. We have had a commitment from the Job Service in California, from the leadership down to each local office. In those offices where we have more than one DVOP, oftentimes one or two of the three or four within an office were designated as contract writers and would go forth specifically on that job, allowing the other DVOP's to handle the veterans coming in for certification within the office.

We are extremely proud of what we have been doing in California. We know that we can improve. Our publicity campaign left something to be desired. We had no statewide campaign to begin with other than through the public service announcements from our vets national office, and what was generated at the local level by the job service DVOP's. We seem to get a very good hearing, I think, among the public. California published articles about the program in its Employment Tax quarterly magazine. This magazine goes out to 650,000 employers.

I am happy to say now, beginning very shortly, the job service in California will be putting forth a statewide publicity campaign to ensure that the program from here on out will not fall off, and so that we will see a continued growth.

I will stop with that, Mr. Chairman.

Mr. LEATH. Thank you, Dr. Miller. I have every confidence that you will not only reach that goal but probably exceed it, because I know that you're making a concerted effort.

Mr. Scull.

STATEMENT OF LEON G. SCULL

Mr. SCULL. Thank you, Mr. Chairman, distinguished members of this committee.

Speaking for New Jersey today, Mr. Chairman, I want to go on record by saying that this is a very positive piece of legislation, this Emergency Veterans' Job Training Act, and hopefully in New Jersey we will meet our assigned goal in the not too distant future. I want it to be successful, Mr. Chairman, as I like to regard myself as a dedicated veteran working on behalf of veterans.

I know that our Acting Assistant Secretary for Veterans Employment and Training, Don Shasteen, has made the Emergency Veterans Jobs Training Act a top priority for our agency. And not patronizing Mr. Shasteen because he is in this committee room, he has demonstrated that he is on top of this program. He has shown great interest and leadership with intense effort to make the program successful.

Mr. Chairman, there are some snags in this program, if I may. The program became effective on October 1, 1983. Some of the complaints that I have received from the local LVER's and from the State agency, and as a followup to some of the comments made earlier this morning by some of the distinguished speakers here, reveal that some legislative changes would help the program.

I did a little homework yesterday and, if I may, I would like to say the 15-week eligibility period is perceived as a big problem in New Jersey. The majority of veterans unemployed that long have other problems precluding gainful employment; that is, there is substance abuse, alcohol problems, lack of basic education and skills which I will touch on shortly; personality and interpersonal relationship problems and so forth.

Four months of unemployment during this boom, during this present economy that we're finding ourselves in, is in itself a problem. Personnel officers question the desire and the motivation to work of anyone unemployed that long. In New Jersey—and we may be unique in the entire Nation—we have a transportation problem, believe it or not. Here we are, the most densely populated State in the Nation, over 7.5 million people locked into this geographical area, in a corridor between two of the heaviest population areas in the Nation, Philadelphia and New York. We have a transportation problem which has been in existence for decades, and it has been one of the major problems for all employment programs. Most companies and employers are located in the suburbs; in industrial parks, and research campuses. There is virtually no public transportation to any of these cities throughout the State.

By that, Mr. Chairman, I'm saying you can go north and south with ease, but going east to west and west to east is a problem in my State. The majority of veterans unemployed 15 weeks do not have or do not own private vehicles due to New Jersey having the highest auto insurance rates in the Nation. Also, car payments are not as important as food and rent and so forth.

Other things. In questioning some of the local VER staff the local office managers, and the State administrator in New Jersey, we find that a good many veterans fail to respond to call-ins.

Here's the part that I would like to impart to you and the committee, Mr. Chairman. I don't know if it's significant in any other State, but in New Jersey we're finding that many veterans can't meet the minimal skills needed to start training, believe it or not. I'll give you an example, for what it's worth.

One local office asked 12 veterans if they knew how to read a ruler, and none of them did. None. Additionally many offices have veterans in their files who were eligible for EVJTA. They apply; only to find no contracts written at the time. Further, the majority of the contracts written do not meet the wants of the veterans and the majority of the veterans don't meet the requirements of the employers. So that is part of our problem in the State.

We have a goal of 980-odd slots. We don't have the problem of enrolling employers. We're probably on the top of the list for employer approval in the Nation for this program. Where we do have a problem is matching veterans to the employers. We have 320 matches thus far, as of about 5 or 6 days ago.

But it is a positive program. We have the cooperation of the New Jersey State Employment Service, the Veterans' Administration in Newark, the Governor of New Jersey. We had "Hire a Vet" month ceremony in June, which was heavily attended by a good many personalities in our State interested in veterans legislation. The

Governor issued a proclamation. He has had news releases. Most mayors in the State of New Jersey have issued proclamations. It isn't for lack of desire or effort. It's just that we're having difficulty in matching veterans to the employers.

We are a very highly technical and sophisticated State. We are heavily electronic. We're the pharmaceutical capital of the world. It requires a special type of individual. So this is our problem today. How we rectify this is a dilemma. I don't have an answer here this morning. But it isn't for lack of effort in our State. We intend to meet our goal. We're doing everything possible. Everybody is alerted to this program and we want to be successful.

Thank you very much.

Mr. LEATH. Thank you, Mr. Scull.

Mr. Lobdell.

STATEMENT OF GARY LOBDELL

Mr. LOBDELL. Thank you, Mr. Chairman.

I think in Maryland our efforts have been lacking here of late. I think what I would like to do at this time, Mr. Chairman, is tell you that we have retooled our efforts to get a better and more efficient effort toward EVJTA. I think a lot of our problems are behind us.

First of all, I would like to state very definitely that the VA has been more than cooperative in trying to get this program underway. Without the help of the VA, specifically Mr. Walter Wilkerson, we would not even be as far as we are.

We have taken six steps, I think, to try to tool up and do a better job than we have done in the past. We recognized from the very beginning that we've got about 3,000 certified veterans in Maryland, and about 130 employers. So we have pointed all of our effort in the next couple of months to selling our program to the employer. We think if we can get the employer we will get the match.

We formed a task force. This task force will have areas of responsibility, with regard to public relations, the actual job match itself, the actual certifying of the employer, and a data base to report our activity.

We have got a commitment from WBAL in Baltimore to start October 1 with an extensive public relations campaign on our behalf. We established a hot line for both employers and veterans to call to get an immediate response on any inquiry regarding EVJTA. We established a data center to funnel all EVJTA activities into one computer and to give us a report weekly on our matches, our PR campaign, and on all things related to EVJTA.

We have 380 positive responses from employers right now that our DVOP's are following up. I had hoped to have a response in time for this committee. I could provide you with that a little later if you wish. We have 110 actual personal visits. I was called down here, so I don't know where we stand.

We also have initiated as part of this task force an offer to the employer to do all of his paperwork for him in preparation for this, even planning his job outline. So we think we are ready now to measurably improve our performance because we have not been happy with it.

Mr. **Leath**. Thank you.

Mr. Gardner, I note that you have also done an outstanding job here.

STATEMENT OF MELVIN S. GARDNER

Mr. **Gardner**. Yes, Mr. Chairman, and members of the subcommittee. Our State, as you know, has always been a veteran-conscious State, from Governor Thornberg all the way down. There has been very good cooperation with this program. We have been on a very good standing with the Veterans' Administration and it has been a success as far as we can see as of this moment.

We are a State in economic transition and we are going from heavy industry to high tech and whatever else we can find or develop in the State. We are so far today ranking 21st, according to the percentages. Numerically, we have 1,168 as of the latest count and very close to our goal of 1,689. So we feel quite proud of that accomplishment. We have a large number of statistics that we could rattle off here about the number of employer visits made and so forth and the number of veterans contacted, and a lot about advertising. The Secretary of Labor and Mr. Shasteen came in in the beginning of the campaign. They appeared in Philadelphia and Pittsburgh before large groups, and they generated a lot of publicity and a lot of momentum for the program from that particular stance. It seems to have just trickled across the State. The 80 offices of the job service have been on the go all the time.

As mentioned by Mr. Edgar, who we know and respect very much, there has been a shortage in Philadelphia. We were very much aware of this. Just before I left the State we had a meeting in Harrisburg at the highest levels to see what could be done in the Philadelphia area and all the surrounding counties. And so we have put a great emphasis in that direction, and we do think we will catch up with everything that needs to be caught up in that vicinity.

We cannot understand why it has slipped through our fingers. The VA has a regional office there, and we have 14 offices in the area, too, that have been contributing to the performance. So we expect that there will be a marked improvement in weeks to come. As a matter of fact, I think I could very well guarantee that because we have people who I think will respond to this and get as much as they can in that vicinity.

As far as any improvement in the program, we think there is a need for some additional staff to carry out the promotion of the program in the employment service. We have a lot of unemployed, as you know. We have approximately 10 percent unemployment rate in the State, and many of our offices are wall to wall with applicants. If we send people out of the office to promote this program, we shortchange all those people in the office who are waiting to be interviewed as jobs develop to place. So we feel if we had additional staff it would help to promote the thing, because we feel this is a good program and that it will continue for some time to come. We feel that it might even provide a model for other programs in the Department of Labor or other departments, a design which would help with the unemployment rate throughout the Nation.

The elimination of the 15 weeks of unemployment would be a helpful factor, also. There has been some discussion on that, so there is no need to dwell on it.

Of the other items here, some employers obtain certification with the hope that they will be hiring in the future. These are not viable and current orders and they tend to show a gap between certified veterans and placements. That is true. Perhaps we should not total up all those particular job orders for opening and show them in the count because they artificially inflate the count.

Mr. LEATH. Mr. Gardner, I hate to cut you off, but I'm going to have to, because Mr. Solomon has to catch a plane and I have an appointment that I'm 20 minutes late for. So if we're going to give any time at all to our veterans groups, we're going to have to say thank you.

I would like to encourage you to follow up on this by writing us some thoughts that you might have, as you were getting into some of the things there about the things we might be able to do to improve the program.

[Additional comments of Mr. Melvin S. Gardner follow:]

ADDITIONAL COMMENTS OF MELVIN S. GARDNER

There is no doubt that the program is in need of additional promotion, particularly with employers. Since this appears to be a dual benefit for both veterans and employers, it would seem that there should be more employers hiring. It might help if an effort were made with the National Chamber of Commerce, National Trade Associations and organizations and also unions. Their promotion could show the advantages of the program for the employers. Moreover, there is a need to discuss the tax implications of the 50 percent allowance given the employer. If possible, this should be permitted to allocate to training expenses.

We would also like to see this program opened up to older veterans who are suffering much displacement due to closing of many traditional type manufacturing plants as is happening in Pennsylvania. The older veterans are very much in need of some assistance of this type to prepare them for other kinds of work. In addition, the program is predicated upon and designed for a growing economy. If the current expansion slows then the program will meet a serious obstacle because it is necessary and effective in an economy that is expanding. Jobs are also the bottom line in this program, growth jobs in growth industries. This will continue to be an excellent tool for a changing economy. We also need to find a better way to have EVJTA used by State and local government agencies, union and other administrative red tape must be moved to full acceptance of this new program so that public employment can be included in the choices available.

Mr. LEATH. I want to congratulate all of you because I can recognize that there are some problems, as Mr. Scull points out, that don't show up in cold statistics. I recognize that in States where you have had the Governor and so forth taking a more active lead, that you have had better figures. So I appreciate you coming here. It has been very constructive. I am very pleased, as I know my colleague, Mr. Solomon, is, to see you get into this program like you're getting into it. So we want to thank you and congratulate you for that.

If we could now ask our veterans' organizations representatives to come forward, both panels, because we are somewhat limited in time. We are running over here. I hate to put you all in such time constraints but, having been here as often as you all have, you understand the problems that we have with scheduling on occasion.

I think about the only thing that we're going to have time to do this morning is—of course, we would encourage each of you to give us, in writing, for the committee, thoughts that you have on the program that we certainly cannot get into in a constrained time period this morning. Of course, we know that you are deeply interested in the success of the program. We do have to adjourn the committee at 12:30, so if you'll bear with us, we'll hopefully not have that problem in the future.

I have no earthly idea as to how we ought to start it, other than to say——

Mr. **Bourie**. By membership, Mr. Chairman.

Mr. **Leath** [continuing]. Other than to say, do any of you have anything that is really pressing that you think we should get into this morning? I'm sure that you have listened to this testimony as we have and have been somewhat encouraged by it.

STATEMENTS OF JAMES G. BOURIE, DIRECTOR, NATIONAL ECONOMICS COMMISSION, THE AMERICAN LEGION, ACCOMPANIED BY PAUL S. EGAN, DEPUTY DIRECTOR, NATIONAL LEGISLATIVE COMMISSION; DENNIS K. RHOADES, EXECUTIVE DIRECTOR, VIETNAM VETERANS OF AMERICA; DONALD H. SCHWAB, DIRECTOR, NATIONAL LEGISLATIVE SERVICE, VFW; CECIL BYRD, EXECUTIVE DIRECTOR, NATIONAL ASSOCIATION OF CONCERNED VETERANS; RONALD W. DRACH, NATIONAL EMPLOYMENT DIRECTOR, DISABLED AMERICAN VETERANS, ACCOMPANIED BY STEPHEN L. EDMISTON, DEPUTY NATIONAL LEGISLATIVE DIRECTOR, DISABLED AMERICAN VETERANS; WILLIAM JAYNE, DIRECTOR, VIETNAM VETERANS LEADERSHIP PROGRAM; AND DAVID J. PASSAMANECK, NATIONAL LEGISLATIVE DIRECTOR, AMVETS

STATEMENT OF JAMES G. BOURIE

Mr. **Bourie**. If I may begin, Mr. Chairman, I am Jim Bourie, the director of economics of the American Legion. I'll be very brief and concur with most of the items that were said today.

I think you ought to give serious consideration to dropping that 15- to 20-week requirement. Although we will have some problems with more veterans coming in, I think it remains a very large impediment to moving the program along.

I also think that the program has had an inadequate relationship with the employer community. The way I see it, and from the reports I get from my people around the country, that's really the key to the success. We can have all the proclamations and all the VA people and all the Department of Labor people talking about the program over a drink in the evening. We haven't adequately tapped the employer community—that is, the chamber of commerce at the National, State, and local level—the National Governors Council, the mayors, even the Job Service itself. I was disheartened to see today that there is no one from ICESA, it's a lobbying group, here today, nor did they even submit something. I don't feel the Job Service nationally is committed to the program. They have their own set of priorities and their own agenda. This veterans' program is not high on their list.

I could tell you States that just don't give a damn about this program. I can tell you of State directors who can't even get their foot in the door as far as the Governor is concerned, let alone the State administrator of the system. I think therein lies the problem, that the program hasn't adequately used the resources of the employer community.

Also, the SBA, with their national advisory committee and their State advisory committees, have not adequately been used as a resource to promote this program.

My other observation concerns the extension of the program. I have the greatest admiration for the Department of Labor and the VA for getting this program moving along. There has been a lag time. Funds for PR and outreach had to come from other program areas. They pulled it all together and I'm proud to say that the American Legion was part of getting that program moving along. I think there are administrative problems.

I would recommend the DVOP's and LVER's doing the certification right there on the spot. We heard earlier about the matchup problem. That is, indeed, a problem. Employers want an employee now. They don't want to wait 14 or 20 days for an employee. If we can do that matchup right then and there in the local office, it's going to be terrific.

So that's it in a nutshell, Mr. Chairman. Thank you.

[The statement of James G. Bourie appears at p. 77.]

Mr. **Leath**. Again I apologize for the short fuse that we're on, but we do have all your statements and we will submit to each of you some questions that both Mr. Solomon and I have.

STATEMENT OF DENNIS K. RHOADES

Mr. **Rhoades**. Mr. Chairman, I am Dennis Rhoades, Vietnam Veterans of America. I would like to elaborate on something that Jim Bourie had to say.

I think one of the major problems that veterans' employment programs have suffered for a long time is their short-term nature. As I said in my statement, basically they start, they stop, they start, and then they stop again. I don't think the employer community, the Job Service, or the employment training community as a whole tends to take these programs very seriously as a consequence. I suspect that in States where the Job Service is not committed to the program it's probably because they believe the program is going to end in 6 months so why bother; why get involved and commit resources when the effort is going to end so soon? Besides, this is a Federal program anyway, they aren't getting any additional manpower resources for it.

We agree with the American Legion, that the relaxation of the eligibility requirement should happen. The reduction from 15 weeks to 5 weeks is appropriate. I also agree that the Job Service, on a limited basis, and with proper training from the VA, ought to be permitted to do the employer approvals on site. I think that would greatly expedite the process.

I agree with you also, Mr. Chairman, about the 25-percent compliance surveys. I think that's excessive, and should be reduced.

As far as the tax ruling is concerned, we have had some tax attorneys look at the IRS ruling and, frankly, we think the ruling itself is full of holes. We're glad to see that the committee may take some action on it.

Finally, there was a question about large companies. It has been the experience of most on-the-job training programs that large companies don't participate because of their payroll systems. They just don't want to get involved. It's too complicated for the small amount of money that they would get in reimbursement. So I think a concentration on small-and medium-sized employers is appropriate.

[The statement of Dennis K. Rhoades appears at p. 84.]

Mr. **Leath**. Thank you, Dennis. I think you can see that on several of those things you have pointed out that we have become sensitive enough that we totally agree we need to address them. We will attempt to do that.

We have time for one more. Don.

STATEMENT OF DONALD H. SCHWAB

Mr. **Schwab**. Mr. Chairman, I am Donald H. Schwab, National Legislative Director for the Veterans of Foreign Wars. I would associate our organization with the remarks previously made at this table.

Contrary to Secretary Donovan's news release of September 10, we cannot consider the program a success at this point in time. To be a success, the service is going to have to place twice as many veterans in jobs in the next 5 months as they have in the past 10 months. We applaud this subcommittee for including in the legislation passed by the House a 6-month extension of both the date of application and the date training must commence.

Public service announcements, we have heard of no one who has seen one or heard one, and I think consideration might be given to paid spot announcements inasmuch as so little of the funds have really been expended on this program to date.

That concludes my statement.

[The statement of Donald H. Schwab appears at p. 89.]

Mr. **Leath**. Thank you, Don.

Mr. Byrd, do you have some comments you want to make, very briefly, here?

STATEMENT OF CECIL BYRD

Mr. **Byrd**. Thank you very much, sir. I am the executive director for the National Association of Concerned Veterans.

I think we are approaching this from a unique angle. The National Association of Concerned Veterans has developed a contracting arm, which is a certified employer under the EVJTACT by the VA. We have been working in a number of unique areas. We have 60 Vietnam veterans that are hired now in cable television construction. Problems lie on transportation and housing—we provide housing for the veterans. We bought a school bus and transport the veterans to Newington, VA every morning and pick them up in the evening.

I disagree with some of the previous statements—that the problem is some of these veterans lack skills. I can tell you that we have 80 black veterans in DC that are working now. We have not turned away anyone because they lacked skills. The need is for additional support services.

We're very excited about EVJTA. We have just gotten certified in asbestos abatement and removal. There are thousands of jobs in that area. Veterans do not care about asbestos when they've been exposed to Agent Orange. They would love to get the schools safe for their children.

Cable television I mentioned. The low income weatherization program provides another large employment opportunity. One of the big problems with that program has been supplementing the labor. This is an ideal opportunity for thousands of jobs in low income weatherization.

Housing rehab. We're in the process of finishing a 10-unit apartment building here in the District. We want to replicate this in the major cities around the country. Again, thousands and thousands of potential jobs lie in the rehab business.

This is a phenomenal program. It is not being pushed properly. It is not being worked properly with the employers. NAVC is going to the employers personally and agreeing to help them fill out the forms, to develop the training programs and handle the program for them, just to get veterans employed.

In the cable construction business, we were not able to get approved in time, so we went ahead and got veterans employed anyway with the hopes of working something out in the future with the employers. I met in Atlanta with the second largest cable contracting company in the country. They want to replicate what we're doing in DC nationally. They are notifying us in advance of cities that they're going into and asking us to provide them with a labor pool.

VVA and the American Legion locally are working with us. The vet centers are working with us through referrals. I think if we had 6 months to a year we could make this the most phenomenal program for veterans around.

Thank you, sir.

[The statement of Cecil Byrd appears at p. 96.]

Mr. LEATH. Thank you, Cecil. We appreciate it.

Gentlemen, again let me apologize to you. Normally this won't happen to us. We thought the House would be in session today and we would have more members here where we could operate a little more efficiently for a longer period of time, but since it didn't work out that way, I hope you will understand this time.

We do appreciate your coming and we will take your full statements as part of the record, and we will submit to you some questions that we have in response to your statements in writing.

Jerry, do you have anything you would like to add?

Mr. SOLOMON. I concur in your statement, Mr. Chairman.

Mr. LEATH. Thank you, gentlemen.

The committee stands adjourned.

[The statements of Ronald Drach, William Jayne, and David Passamaneck appear at p. 102, 108, and 116.]

[Whereupon, at 12:38 p.m., the subcommittee was adjourned.]

APPENDIX

Prepared Statement of Hon. Gerald B.H. Solomon

Mr. Chairman, as indicated during our hearing on Friday, September 21, 1984, I submit for the hearing record my comments on the testimony of our colleague, the Honorable Don Edwards of California.

Firstly, Mr. Chairman, may I say that I have the greatest respect for Mr. Edwards, who is a senior Member of the House Veterans' Affairs Committee. However, I believe his comments and his testimony warrant a response.

I came to that hearing out of courtesy and respect for you, having previously planned a trip to my congressional district. I shared with you a desire to be updated on the Emergency Jobs Bill for veterans—the planned subject of our oversight hearing. You will understand then my amazement when our colleague chose not to dwell on the subject of our hearing, but rather used our subcommittee forum to criticize President Reagan's policies with respect to the Veterans' Administration and veterans' issues in general.

Mr. Chairman, it is well known that President Reagan enjoys the respect and admiration of the great veterans organizations of our nation. That has been made abundantly clear on a number of occasions. While the statements made by Mr. Edwards at our hearing will not compromise the high regard in which the President is held by our nation's veterans, I do not think the record of our hearing will be complete without a rebuttal.

While it is true that the administration originally opposed the Jobs Bill, believing that other national legislation would suffice, it is also true that both you and I urged him to sign it, and he did.

It is also true that the President's budget for 1985 did not ask for additional funds for the Jobs Bill, but you and I also know that such funds could not possibly have been properly utilized even if appropriated, and that it would have been irresponsible of the President to have asked for the money. It is clear that if a supplemental appropriation is needed for this program that it will be provided and that the President would sign such a supplemental bill.

As was repeatedly pointed our during our hearing, the fact is that employment rates among our Vietnam veterans have dramatically improved over the past 18 months. The unemployment figure for January 1984 was 11.4 percent; it is now 5 percent among our Vietnam veterans. While I continue to give full support to our jobs bill, I do not think it necessary to negate the positive aspects of the great economic recovery that has been and is taking place all across the country, and especially with Vietnam veterans.

Mr. Edwards characterized President Reagan's stewardship of veterans' programs as a four-year assault on programs critical to veterans and their families. Nothing could be further from the truth. Just one stark example of the President's record on veterans' programs is that the Veterans' Administration's 28 billion dollar budget for 1985 is the highest in history, with ten billion dollars being provided for medical care and medical construction. It is difficult to characterize the largest VA budget in history as an assault.

Mr. Edwards said that the Reagan Administration has been indifferent to the Emergency Veterans' Jobs Bill. The fact is that the program has enjoyed a high priority in both the Veterans Administration and the Department Labor. The testimony of veterans organizations attest to this.

Congressman Edwards was also critical of the President appearances before the national conventions of the American Legion, the Veterans of Foreign Wars, and the Disabled American Veterans. In truth, the President was extremely well received by the American Legion and the VFW, but the President was not in attendance at the Disabled American Veterans convention.

A number of factually incorrect statements was included in Congressman Edwards' testimony. They are listed below:

A. Mr. Reagan's suggested reduction of 8,000 VA employees in his 1981 budget was recommended by Office of Management and Budget officials who were appointed by President Carter. Even those individuals did not say that the employees ought to be "fired" as Mr. Edwards stated. The reduction was to be accomplished by attrition. This suggestion was quickly rejected by both the Congress and later by Reagan advisers.

B. President Reagan did not "demand" that Veterans Readjustment Counseling Centers be eliminated. Under the law they were to expire at a certain date. The President originally supported a proposal initiated by President Carter to not extend them. This proposal was changed only a few weeks before the 1980 election. Since late 1981, President Reagan has vigorously supported extension of the Centers.

C. Every President since Franklin Roosevelt has opposed judicial review of veterans' claims except President Carter, who opposed it in all but his last year of his presidency. Congressman Edwards stated that President Reagan's opposition to judicial review means that veterans must continue to wait 16 months for decisions on their claims by the Board of Veterans' Appeals.

In point of fact, Congress has just recently increased the size of the B.V.A. in order to reduce that waiting time. In all fairness it must be pointed out that the distinguished Chairman and Ranking Republican Member of the House Veterans' Affairs Committee both oppose judicial review and that the House of Representatives has never approved it. It should be recalled also that the largest veterans organization in America does not favor judicial review, and that other veterans organizations have differing views concerning it. It should also be pointed out that possible judicial review has nothing to do with the time it takes to get appeal decisions. Such review would not take place until after such decisions are made.

D. Congressman Edwards criticized the President for asking that cost of living adjustments (COLAs) for veterans be delayed for six months in fiscal year 1984. The fact is that in their customary display of uncommon patriotism, every major veterans organiation endorsed this idea as did the entire Congress.

E. Congressman Edwards was critical of the fact that the President requested 800 fewer employees for the Department of Veterans' Benefits for 1985, and he said that the 800 employees "must be fired." In truth, no one will be fired; the staff reduction will be accomplished by attrition. It also bears recalling that enrollment under the G.I. Education Bill has dropped markedly thus requring a lesser number of employees and that according to the Administrator of Veterans' Affairs, he can live with the proposed staff reduction.

F. Congressman Edwards implies that President Reagan has endorsed each Grace Commission proposal. This is most certainly not the case, and it is clear that President Reagan has not endorsed the specific Grace Commission proposals as they relate to veterans.

Mr. Chairman, I have taken the liberty of providing the committee with this rebuttal as a means of presenting a fair and balanced characterization of President Reagan's record on veterans' issues. As I stated at the hearing, I would have greatly preferred to have limited the scope of our hearing to its announced purposes—oversight of the Emergency Veterans' Jobs Training Act—thereby obviating the need for this expansion of the record. But in all fairness, the record needs to be correct. I sincerely hope that as we look forward to the 99th Congress, we will be able to continue the previously non-partisan nature of our oversight hearings; I fear that otherwise our nation's veterans will be badly served, and our committee's work jeopardized.

STATEMENT OF
DOROTHY L. STARBUCK
CHIEF BENEFITS DIRECTOR
VETERANS ADMINISTRATION
BEFORE THE
SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT
COMMITTEE ON VETERANS' AFFAIRS
HOUSE OF REPRESENTATIVES
September 20, 1984

Mr. Chairman and Members of the Subcommittee:

I am pleased to be here today to brief you on the progress of our efforts in implementing the Emergency Veterans' Job Training Act of 1983 (EVJTA). At the time of our last hearing on this subject--April 5, 1984--I reported to the Subcommittee that as of March 26, 1984, we had a total of 2,506 veterans actually employed. I am pleased to report that since that time we have made some significant improvement in the number of veterans actually placed. That figure is, after all, the bottom line. As of September 10, 1984, there were a total of 14,286 veterans actually employed.

Overall interest in the program has grown tremendously. At the end of the first full month of the program, December 1983, VA had received approximately 37,000 applications. Through the end of April 1984, there were almost 156,000 received. The number of applications has ballooned to a total of 248,369 through

September 10, 1984. We have processed 97 percent of these applications, or about 242,000. Out of this number, approximately 206,000 applicants have been approved.

Employer participation in the program has also increased dramatically. At the end of December 1983, we had received a total of 1,564 employer applications. By the end of April 1984, 15,128 employers' applications were received. As of September 10, 1984, there were 30,051 applications received. We have processed 97 percent of these and, of those processed, have approved 95 percent.

Mr. Chairman, I said in April of this year that it was too early to make any judgments on the success of the program. Of course, since that time, some 5 months have gone by. We can make some judgments now. I would have to say that, yes, the program has had its successes, but it cannot be called an unqualified success.

When looking at the number of jobs filled compared with the number of applicants approved for the program, we can see that there has been some progress. If we go back to the beginning, we find that at the end of December 1983, just under one half of 1 percent (.45 percent) of those veterans approved for the program actually got jobs. By the end of March 1984, 2.75 percent of approved veterans had jobs, and by the end of July of this year the percentage of those placed reached 5.8 percent. The latest figure, as of September 10, 1984, is 6.9 percent.

We wanted to know just how the program was going and how it was being implemented. To this end, a joint Veterans Administration/ Department of Labor review team was formed.

The team was made up of two staff members from the Office of the Assistant Secretary of Labor for Veterans' Employment and Training, in the Department of Labor, and two staff members from our Department of Veterans' Benefits. During the period May 6 through May 18, 1984, this joint team visited selected locations in order to review the implementation of the EVJTA. The team visited four locations and conferred at length with officials and staff of the VA regional offices, State Employment Security Agencies, and the Department of Labor's Veterans' Multipurpose Center.

There were a number of interesting findings that resulted from the team's review. For example, the team found that there appears to be a direct relationship between the priority assigned to the EVJTA and the success of the program (i.e., the number of veterans placed in training positions). The team also found that in areas of shared responsibilities, particularly in outreach and public information efforts, some confusion and resulting inaction was evident in some locales. This confusion was due to a lack of coordination regarding the delegation of tasks and the extent to which cooperation is needed on joint initiatives. Another finding was that the involvement and support of high-ranking officials of State Government, such as the Governor and cabinet-level staff has proven to be an asset to the acceptance of the EVJTA by the employer community. In fact, the team found that, in certain states, there had been no successful attempts to seek the support of the Governor or other high-ranking officials. Only minimal program success was noted in these states.

The joint team was able to discover what went wrong and what went right at the different locales they visited. What we wanted to do from there was to apply the successful initiatives to all stations in order to come out with better job placement under the program.

In this regard, we sent a letter to our field stations to emphasize and highlight the high priority that should be given to the EVJTA. In fact, we are requiring that a specific work plan for outreach and public information efforts be developed and pursued by the VA, in coordination with the Department of Labor, and State Job Service officials in those locations where such a plan has not already been implemented. The work plan must include specific responsibilities for job development activities, with necessary supporting roles and relationships clearly defined. Another very important element of the work plan that we are stressing is the inclusion of methods for timely and direct communications (including referrals) among personnel of the participating agencies.

VA staff and staff of the Department of Labor's Veterans' Employment and Training Service (VETS) have solicited the participation of each Governor in the promotion of the EVJTA on a continuing basis. VA officials, as well as VETS and Job Service officials, will be establishing and maintaining close working relationships with officials of labor unions and trade associations, as well as with officials from personnel associations, community-based organizations, and Chambers of Commerce, in order to promote employee participation in the EVJTA.

The joint team also looked into processing timeliness of jobs bill applications. In Texas, management officials of the VA, VETS, and Job Service have provided continuing training for, and direction to, their personnel since the beginning of the program. In that State, applications, orders, and contracts are processed promptly and accurately. No significant processing backlog exists in this State. By contrast, in another State, there was less emphasis on training and little direction was provided by either the VA, VETS or Job Service management. As a result, the number of veteran placements in this State is very low. So, essentially, the joint team found that there was a direct relationship between the effectiveness of management direction and the overall success of the program.

To remedy this situation, we stressed in our instruction to the field the importance of timeliness and accuracy to the success of the program. Specifically, we instructed field stations to provide immediate management direction to see that backlogs are reduced to acceptable levels. Acceptable levels of pending workload are defined as being no more than 5 percent of veteran applications and 3 percent of employer applications received thus far. My staff will be monitoring field stations' success in reducing these backlogs.

Mr. Chairman, I would just like to say a few words here about the state of the economy and how it has improved since the jobs bill became law on August 15, 1983. . Vietnam era veterans have shared in the growth in employment that has occurred nationally. Among Vietnam era veterans (aged 30 to 34), the unemployment rate in August of 1983 was 9.7 percent. In August of 1984, Vietnam era veteran unemployment stood at 6.4 percent--a drop of over 3 full percentage points. Vietnam era veterans in the 35 to 39 age bracket also enjoyed a drop in unemployment from 6.2 percent in August of last year down to 5.4 percent in August of 1984.

In terms of the number of veterans unemployed, significant drop-offs have been experienced in terms of the decrease in the number of unemployed Vietnam era veterans. For example, in the 30 to 34 age bracket, the number of unemployed Vietnam era veterans decreased from 194,000 in August 1983 to 103,000 in August 1984--a decrease of 47 percent. Those Vietnam veterans 35 to 39 showed a decrease from 181,000 to 174,000 for the same time period. The number of unemployed for both age categories (30 to 34 and 35 to 39) shows a decline from 375,000 to 277,000, or a drop of 26 percent.

Of course, all this does not mean that there is still not a need to find jobs for veterans. However, the fact is that we are experiencing a definite improvement in economic conditions. That improvement is reflected in the substantive overall decline in umemployment rates and the decline in the actual number of unemployed Vietnam era veterans.

Mr. Chairman, when requested, the VA furnishes employment services to assist the eligible veteran in selecting a suitable program of job training and to assist him or her in overcoming problems encountered in adjustment and employment. In addition, VA staff determines if a veteran with a service-connected disability evaluated at less than 30 percent may, nevertheless, have a serious employment handicap. A positive finding provides the veteran with 15 months of entitlement to on-job training rather than the 9 months otherwise available.

We have received 64,529 counseling requests through August 24, 1984, for veterans who either have been issued Certificates of Eligibility or for whom Certificates of Eligibility have been approved, but not yet issued. Action has been completed in 60,141 cases, or 93 percent of requests for counseling services. Completed actions include veterans provided counseling and related services. Also included are those veterans who did not report for scheduled counseling appointments and did not subsequently request rescheduling.

The number and proportion of veterans requesting counseling exceeds requests for assistance under other programs, including the GI Bill, the dependents' program, and chapter 31. There are several reasons for this high request rate. As I previously indicated in my testimony on April 5, 1984, a significant number of these requests are for a wide range of information and assistance of which employment counseling is one service. Therefore, requesting counseling is one way in which a veteran is signaling the VA that he or she needs help.

We have modified existing procedures in order to respond to veterans' requests in a more flexible and appropriate manner. These procedures include use of telephone contacts, group orientation sessions conducted jointly with other VA and Department of Labor staff, and increased use of Career Development Centers at those regional offices with Career Development Center activities. These and other changes have been incorporated into a revision of our instructions concerning provision of counseling services under EVJTA. The addition of these procedures in no way affects the veteran's entitlement to individual counseling services but, instead, permits staff to provide needed information sooner.

For the future, we expect an increasing number of requests for counseling from veterans who have secured on-job situations, but who may need help in overcoming problems of adjustment to training and employment. In addition, we will continue assisting those veterans who have not yet been able to secure job training opportunities. We are particularly concerned with the service-disabled veterans who may also be eligible for assistance under chapter 31. The recent extension of the Targeted Jobs Tax Credit, through the enactment of Public Law 98-369, provides an opportunity to broaden the veterans' employment opportunities. Our counseling staff have incorporated this option into their work with veterans requesting employment assistance both under the EVJTA and chapter 31.

We believe the modifications which have been made will enable us to focus our counseling efforts more effectively, and that new developments, such as the extension of the Targeted Jobs Tax Credit, will lead to a more systematic approach to employment services in conjunction with the Department of Labor.

Mr. Chairman, we note that the House, on August 6, 1984, passed H.R. 5398. This measure would amend the EVJTA to (1) extend the operative period of a Certificate of Eligibility furnished to a veteran, from 60 days after the date furnished to 90 days after such date, and (2) extend both the last date upon which an eligible veteran may apply for a program of job training under the Act, from November 29, 1984, to May 29, 1985, and the latest date a veteran may begin participation in an approved training program, from March 1 to September 1, 1985.

We are in favor of extending the life of a Certificate of Eligibility to 90 days, since this would afford an eligible veteran additional time in which to receive employment counseling and be placed in an approved job training program. It could also reduce the need for, and frequency of, processing requests for certificate renewal.

However, we believe that a 2-month extension of both the application and training-commencement deadlines would be reasonable and consistent with current projections. A 2-month extension is all we need to make up for the program's slow start.

Mr. Chairman, that concludes my statement. I would be happy to answer any questions you or other Members of the Subcommittee may have.

STATEMENT OF DONALD E. SHASTEEN
DEPUTY ASSISTANT SECRETARY FOR
VETERANS' EMPLOYMENT AND TRAINING
BEFORE THE
SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT
OF THE
COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES

September 21, 1984

Mr. Chairman, and Members of the Committee:

I welcome this opportunity to testify on the status of the Emergency Veterans' Job Training Act of 1983. With me today is Joseph C. Juarez, Director of the Office of Veterans' Employment and Training Programs.

I'm pleased to report that we've made substantial gains in the administration of the Emergency Veterans' Job Training Act (EVJTA) since our last appearance before this committee in April. At that point, four months into the program, we reported that 20,116 jobs had been approved and 2,506 veterans placed. As of the end of August, 5 months later and 9 months into the Emergency program, there were 60,379 jobs approved and 13,516 veterans placed in these jobs. For this 5 month period, those numbers represent a monthly average of 8,000 new jobs and 2,200 veterans job placements. At the same time, we have improved our record of placement in available jobs from one in ten to one in four.

Several things have contributed to this improvement. I believe the greatest factor has been the passage of time since the program was enacted; time to spread the word to employers, time to create confidence in the program and time to work with individual veterans to match them with available opportunities. Of course, we've done much during this time to ensure that the program would indeed be successful. One activity that paid off and will continue to do so was Secretary Donovan's designation of the month of June as "HIRE A VET" month. We challenged each of the States to make an extra effort to maximize the placement of eligible veterans in the Emergency program. During June, nearly 2000 veterans were placed in jobs under EVJTA and 3,800 employer training programs were certified. More than this, the publicity generated during June had a spillover effect into July and August.

In conjunction with "Hire A VET" month, we arranged to recognize individuals and States with significant accomplishments during the month. As you know, this recognition took place on September 10th and 11th with an awards ceremony at the Department and other events sponsored by veterans organizations and the House Committee on Veterans' Affairs. We wish to thank you Mr. Chairman, Chairman Montgomery and other Members for taking time from your busy schedules to meet with the awardees. They were most appreciative for that opportunity.

In the area of outreach and public information, as reported to this committee in April, we were developing a second set of television and radio public service announcements. These PSA's have been distributed to about 600 television and 3900 radio stations across the country. To date, from the National office we have developed and distributed eight television and eight radio public service announcements, and distributed throughout the country three printed information items totaling nearly one million pieces. We have indications that all materials and PSA's are being used and that they are well received.

In addition to the PSA's and printed materials, we produced newspaper articles on the program which were distributed to 3,800 weekly and 1,000 daily newspapers across the country. These too, have been well received and we have received inquiries from many veterans and employers as a result.

We are now in the process of developing a third round of PSA's for television and radio to continue the level of awareness which has been developed and we are planning to couple this with a toll-free 800 number which employers can use to inquire about the program. We believe that this 800 number approach will generate considerable employer responsiveness.

Mr. Chairman, these promotional efforts are only what we have done from Washington. At the State and local level, there have been additional efforts to promote the program. These have taken the form of radio and TV talk shows, locally developed newspaper articles and advertisements, local radio and TV PSA's and a large number of meetings and seminars for veterans and employers to explain the program. All these efforts took hold and developed improved awareness of the program across the country.

Let me move now to some of the management actions and other steps we have taken to improve EVJTA performance. As you are aware, we established placement goals for this program for each of our States. We have been reviewing performance against these goals and I'm pleased to report that the States of Alaska, Idaho, Nevada, North Dakota, Oklahoma, and Utah have exceeded their goals. The State of Utah was the first to exceed its goal. Our performance reviews also tell us which States are having difficulty in attaining their goals. As a result, we undertook two related actions geared at those States which were not progressing at expected levels.

The first action was that I started scheduling personal visits to those ten States which seemed to be lagging and which had large goals. To date, I have visited four of these States and am scheduling the remainder. What we are trying to accomplish with these visits is to focus attention on the EVJTA among the top policy makers at the State level including Job Service and other State officials. We believe that if we can get the attention of the decision makers we will get more commitment and better results from the local level. Second, in an effort to stimulate employer involvement more rapidly, we have enlisted the assistance of the National Job Service Employers Committee. They will assist us in those States which are having problems by providing a greater awareness of the program in the employer community and recommending ways in which the success of the program can be improved.

A copy of our latest report showing accomplishments against goals for each State is included in my statement. I would also mention, Mr. Chairman, that we also mailed the previous report to each member of Congress and each Governor so that they could see how their State was doing and in the hope that it might generate additional interest in the program.

I want to mention a very positive finding as a result of our State reviews of the EVJTA. We found that a significant number of certified veterans registered with the Job Service, were placed in permanent jobs other than EVJTA jobs. For example, the State of Massachusetts reports that 9% of certified veterans were placed in EVJTA jobs and an impressive 60% in other jobs. The State of Kansas reports that of a 33% sample of certified veterans, 19% were hired under the EVJTA program and 25% were hired by other employers. Missouri reported that 19% were placed in EVJTA jobs and 18% placed in other jobs.

We believe this shows that employers are willing to hire these target group veterans in other than training positions. It also shows that the Emergency program is a useful tool in helping traditionally hard-to-place veterans.

While the overall record shows that we have indeed aggressively implemented this program and that the program is doing well, we still have much room for improvement. No matter how effectively we think we are publicizing the program, I still hear stories of employers who haven't yet gotten the word. To this, Mr. Chairman, I can assure you that we are doing everything possible to see that the word gets out. Our field staff, the Veterans Administration, the Job Service, veterans' organizations and many others have given us ideas and are doing much themselves. I've mentioned to the Committee before, that our Job Training Partnership Act programs are also contributing. The first JTPA Title IVC veterans reports are starting to come in and I will be able to report to you of their contributions towards EVJTA in specific terms in the near future.

Another area I wish to touch on is the apparent "gap" between the number of certified jobs and the number of certified veterans. The question, simply stated is, why are't more veterans being placed in those jobs? We posed this question to many of the Job Service staff that were recently in Washington to receive their HIRE A VET month award. There were a variety of reasons given. But the two reasons that surfaced most were 1) that other job training progams allow for speedier approval and placement and 2) that veterans unemployed for a minimum of 15 of 20 weeks are not an easy group to get back into the labor market which is, of course, also true of non-veterans of similar age and experience. These people are largely out of touch with the world-of-work due to the duration of their unemployment. They are largely older and are trying to enter the labor market from a difficult position. Due to their age many have families and financial commitments which make them less likely to accept entry-level positions offered under any training progam. This makes the matching process difficult and progress less rapid than we would like.

Mr. Chairman, we're excited at the progress we've made thus far and are even more excited knowing that we're going to be placing at least 30,000 veterans under the program by March 1, 1985. Mr Chairman, on that positive note I end my statement and will be pleased to answer any questions you may have.

EMERGENCY VETERANS' JOB TRAINING ACT
CUMULATIVE PERFORMANCE-AUGUST

	GOALS	MATCHES		% MATCHES TO GOAL
U.S. TOTAL	30000	13516	U.S. TOTAL	45.05
MASSACHUSETTS	762	80	UTAH	144.85
MAINE	162	75	ALASKA	144.44
VERMONT	69	23	NEVADA	143.75
NEW HAMPSHIRE	147	44	OKLAHOMA	120.71
RHODE ISLAND	135	108	NORTH DAKOTA	116.67
CONNECTICUT	438	106	IDAHO	103.10
NEW YORK	2067	797	NEW MEXICO	95.91
NEW JERSEY	981	182	OREGON	95.74
PUERTO RICO	135	63	WASHINGTON	91.44
PENNSYLVANIA	1689	853	RHODE ISLAND	80.00
DELAWARE	81	62	ARKANSAS	80.00
MARYLAND	576	95	WISCONSIN	78.82
VIRGINIA	705	147	WYOMING	77.78
WEST VIRGINIA	258	194	DELAWARE	76.54
D.C.	69	33	WEST VIRGINIA	75.19
ALABAMA	462	326	ALABAMA	70.56
FLORIDA	1476	330	KANSAS	66.04
GEORGIA	669	130	TEXAS	65.52
KENTUCKY	429	164	SOUTH CAROLINA	63.71
MISSISSIPPI	261	131	ARIZONA	63.46
NORTH CAROLINA	699	289	PENNSYLVANIA	50.50
SOUTH CAROLINA	372	237	CALIFORNIA	50.41
TENNESSEE	576	206	MISSISSIPPI	50.19
ILLINOIS	1428	410	D.C.	47.83
INDIANA	720	112	PUERTO RICO	46.67
MICHIGAN	1185	380	MAINE	46.30
MINNESOTA	555	159	NEBRASKA	45.27
OHIO	1467	531	COLORADO	43.19
WISCONSIN	609	480	MONTANA	42.98
ARKANSAS	285	228	NORTH CAROLINA	41.34
LOUISIANA	480	70	NEW YORK	38.56
NEW MEXICO	171	164	KENTUCKY	38.23
OKLAHOMA	420	507	OHIO	36.20
TEXAS	1836	1203	TENNESSEE	35.76
IOWA	375	97	SOUTH DAKOTA	35.71
KANSAS	318	210	VERMONT	33.33
MISSOURI	687	227	HAWAII	33.33
NEBRASKA	201	91	MISSOURI	33.04
COLORADO	426	184	MICHIGAN	32.07
MONTANA	114	49	NEW HAMPSHIRE	29.93
NORTH DAKOTA	72	84	ILLINOIS	28.71
SOUTH DAKOTA	84	30	MINNESOTA	28.65
UTAH	165	239	IOWA	25.87
WYOMING	72	56	CONNECTICUT	24.20
ALASKA	54	78	FLORIDA	22.36
ARIZONA	405	257	VIRGINIA	20.85
CALIFORNIA	3186	1606	GEORGIA	19.43
HAWAII	105	35	NEW JERSEY	18.55
IDAHO	129	133	MARYLAND	16.49
NEVADA	144	207	INDIANA	15.56
OREGON	423	405	LOUISIANA	14.58
WASHINGTON	666	609	MASSACHUSETTS	10.50

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Honorable Marvin Leath
Chairman, Subcommittee on
Education, Training and Employment
House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

At the September 21, 1984 hearing on the Emergency Veterans' Job Training Act of 1983, you asked whether or not it would be legal to transfer the job approval function under the Act from the Veterans Administration to the Department of Labor.

It is our opinion that Public Law 98-77 specifically charges the Veterans Administration with job approval. In view of this, we think that any transfer of job approval authority should be premised upon a legislative change.

We both appreciate your continued efforts toward improving employment prospects for our veterans.

Sincerely yours,

DONALD E. SHASTEEN
Deputy Assistant Secretary for
Veterans' Employment and Training
Department of Labor

DOROTHY L. STARBUCK
Chief Benefits Director
Veterans Administration

cc: 23B

Second Interim Report
Centaur Associates, Inc.

Exhibit 3-5

OCCUPATIONAL CATEGORIES
IN WHICH PARTICIPATING
VETERANS HAVE BEEN EMPLOYED
AS OF APRIL 16, 1984

Occupational Category[1]	Number Employed	Percent
Machine Trades	1,004	26
Structural Work	831	22
Professional, Technical and Managerial	778	20
Clerical and Sales	457	12
Benchwork	280	7
Service	214	6
Miscellaneous	130	3
Processing	128	3
Agricultural, Fishery, Forestry, and Related	28	1
Total	3,850	100

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[1] Based on first digit of codes in the Dictionary of Occupational Titles, U.S. Department of Labor, Employment and Training Administration, Fourth Edition, 1977.

Source: Target Management Information System (as of April 16, 1984), Department of Veterans Benefits, Veterans Administration.

STATEMENT OF

PAUL S. EGAN, DEPUTY DIRECTOR
NATIONAL LEGISLATIVE COMMISSION
THE AMERICAN LEGION

and

JAMES G. BOURIE, DIRECTOR
NATIONAL ECONOMICS COMMISSION
THE AMERICAN LEGION

before the

HOUSE COMMITTEE ON VETERANS AFFAIRS
SUBCOMMITTEE ON EDUCATION, TRAINING, AND EMPLOYMENT

on

THE PROGRESS OF PUBLIC LAW 98-77

SEPTEMBER 20, 1984

Mr. Chairman and members of this subcommittee:

The American Legion thanks you for this opportunity to present its views on the progress of PL 98-77, the Emergency Veterans Job Training Program. In April this subcommittee held similar oversight hearings on the progress of the program. At that time The American Legion testified that in three months of program life 61,000 veterans were certified and 21,000 employers had been accepted, yet the placement rate was around five percent. These figures did not surprise us, as we were confident that a program of this type would be favorably received by veterans and employers. Nor were we surprised by the seemingly slow start, as two large agencies had to work out many administrative, budgetary and logistical issues.

Now, after approximately eight months, The American Legion feels that the Emergency Veterans Job Training Program (EVJTP) is proceeding in the right direction. Having worked closely with officials from the VA and the office of the Assistant Secretary for Veterans Employment and Training, we can unequivocally attest to their commitment in making this program a success. From our view, there has been the utmost of cooperation between those agencies. Indeed, The American Legion feels very close to this program, and also shares its frustrations.

Our frustrations, quite naturally, are over the low placement of veterans. There is an over-abundance of eligible veterans; so much so that in all likelihood all will never be placed. Veterans are ready, willing, and able to work and every possible effort must be exerted to see that they are given an opportunity to work.

Recent VA figures on the EVJTP reflect 188,218 veterans certified and 24,871 employers eligible, yet only 11,754, or six percent, have been placed. In our estimation, the EVJTP is a sound and worthwhile program. As we stated, both the VA and Department of Labor are coordinating to the maximum extent possible at the national level and are to be commended for their joint efforts.

Mr. Chairman, The American Legion has maintained all along that the success or failure of the EVJTP rests with the employer community. They're the ones who will make or break the program. And, since the Emergency Veterans Job Training Program is not a "make work" program, the employer community must be convinced that it is right for them. Therein lies the problem.

Employers often do not know their hiring plans, they are burdened with competing human resource laws and regulations, union contracts and agreements precluding maximum program use and they are not quite sure what to make of the program. Further, it is our understanding that the "match up" time between an existing vacancy and placing a qualified veteran is lengthy and that there may be many variously qualified candidates vying for an opening. Just becasue an EVJTP eligible veteran is referred is no guarantee that the vacancy will go to the veteran. Also, there is an unevenness in the demand for skills coupled with a shortage of qualified veterans. In sum, program administrators cannot force an employer to choose a veteran.

Nonetheless, Mr. Chairman, The American Legion feels that the administrative process could be moved along by allowing Disabled Veterans Outreach Program specialists (DVOP) and Local Veterans Employment Representatives (LVER) to certify veterans and employers. Although the program calls for a seven to 14-day certification time, there have been instances of lengthy administrative delays of up to six weeks. We see no need to have the VA attest to the applicant's eligibility when DVOPs and LVERs could do the same thing. Further, we also fail to see the need for eligibility recertification. Once an eligible veteran is granted a Certificate of Eligibility, it should remain valid until he or she is placed or finds other employment. These administrative rules cause inordinate delays, often causing veterans and employers undue frustration.

The American Legion would also recommend that administrative funds for public relations, outreach, and other activities, be included in any future program funding. While both the DOL and VA are to be commended for their administrative efforts, funds had to come from other program areas to accomplish public relations and outreach objectives. We would also like to see a greater employer involvement in the hiring of disabled veterans. Perhaps a costsharing plan for providing reasonable accommodations, such as curb cuts, ramps, or water fountains could be established. We understand that such adjustments average about $500, but usually less than $200.

Mr. Chairman, we would also recommend greater coordination among the offices of the Assistant Secretary for Veterans Employment and Training, the Job Service's National Employer Committee, Chamber of Commerce, National Alliance of Business, National Governors' Council, and other like trade groups and political organizations with particular involvement and support from state and local political leaders. We also feel that in some instances the Job Service has placed too low a priority on the promotion of the EVJTP. For that matter, not all DVOPs and LVERs are motivated and committed to the program.

Moreover, The American Legion believes the EVJTP will eventually be successful and we will do our part to ensure that success. We don't think the program lacks commitment at the national level. There are, however, problems at the local level, but nothing in our estimation, that cannot be resolved. Perhaps the biggest obstacle is convincing the employer community that the Emergency Veterans Job Training Program is right for them.

Before concluding, Mr. Chairman, there are a few observations which ought properly to be brought to your attention concerning the future of the program. Clearly, your timing in holding this hearing could not be better. At present the program is scheduled to terminate at the conclusion of next year.

While we recognize the program was never intended as a permanent program but instead as a measured response to a clear national economic emergency, the question of continuing the program in some form will inevitably arise. The American Legion looks forward to working closely with this subcommittee so as to arrive at an answer to this critically important question.

In that regard, it might be advisable to ask each of the agencies involved in the administration of the program for a sampling of employers having participated. In this way all concerned might better understand specifically what is appealing or unappealing about the program as well as what types of employers have or have not participated. With this information, should the Congress deem it desirable to continue the program, it will be easier to intelligently improve upon the program now in place.

With this in mind, we suggest a further hearing on this program perhaps mid way through 1985. By then, the need for continuing the program should be clearer.

Should continuing the program be needed, there are a few options this subcommittee may wish to consider. One of these would simply reauthorize the program for an additional two or three years. Following this option, however, would likely require a change in the nature of the program from an emergency program to a basic veterans employment readjustment program. This option could certainly be justified by the historical fact that each time the economy sustains an economic downturn, veteran unemployment levels rise steeply above the national average.

Another possible alternative short of allowing the program to expire would incorporate a triggering mechanism into the program. Were this option adopted, the program could remain authorized, though dormant, until such time as the nation again found itself faced with an economic emergency. In that event, the program might be triggered back into action if veteran unemployment levels reached a set threshold of between three to five percent above national averages. In this way, the program would remain an emergency program, already in place and ready to respond quickly in whatever time it took to secure an emergency supplemental appropriation.

Mr. Chairman, these are but a few options available. We raise them not because we are prepared to support or promote them at this time, but instead because we believe it is not too soon to begin a dialogue on the program's future. Moreover, there will undoubtedly be other suggestions as the program nears its expiration date. When and if the subcommittee decides to continue this program, The American Legion stands ready to contribute its resources and expertise to that decisionmaking process.

Another matter of concern which this subcommittee should be aware of is the fact that another veterans employment program, if unreauthorized, will also expire at the conclusion of next year. That program, though outside of this committee's jurisdiction, is the Targeted Jobs Tax Credit program (TJTC). In that program veterans are one of nine targeted categories of eligible individuals. Eligibility for veterans is predicated on being a Vietnam era or disabled veteran with income no greater than 70 percent of the poverty level.

As we turn our attention in the months ahead to the future of the emergency jobs program, it will be important to recognize that the prospect of simultaneous termination of two veterans employment programs could bode poorly for those veterans still in need of employment assistance. With this prospect in mind, it might be advisable to ask the Department of Labor and the job service for an assessment of both the value each of these programs have for veterans and the impact the loss of these programs would have on those veterans who might otherwise be eligible to participate.

Mr. Chairman, that concludes our statement.

STATEMENT OF
DENNIS K. RHOADES
EXECUTIVE DIRECTOR,
VIETNAM VETERANS OF AMERICA

Vietnam Veterans of America (VVA) appreciates the opportunity to appear once again before this Subcommittee to assess the present status and future of the Emergency Veterans Job Training Act (EVJTA).

When VVA testified before this Committee this past April, we made recommendations for extending the eligibility dates for the program. We are pleased that the committee accepted these recommendations and that EVJTA will have at least a six months of operation. VVA believes the program needs an even longer life to address the problem for which it was created, and I will be discussing that proposal at some length later in my testimony.

Mr. Chairman, in the last six months I believe we have seen significant progress in the program's ability to put veterans to work. Over 14,000 eligible veterans have been employed to date under EVJTA. A recent study in Mississippi further indicates that another 30 to 40% have been placed in non EVJTA jobs. This residual effect of the program is typical of other job training programs, and should be considered when assessing a program's success. Despite this upturn, however, VVA is concerned about the jobs approved under this program which have gone unfilled. With 61,967 jobs approved, it appears as if only one job in four is being filled. This is a terrible waste not only in job development effort, but in good relations with the employer community. We urge the Department of Labor to take strong messures to identify the reasons for the problem and to take corrective action. In this regard, I would like to suggest one alternative for providing employers with a better supply of veteran job candidates. As you probably know, Mr. Chairman, before I joined VVA, I worked in the VA's Regional Office in Los Angeles. One problem that became very clear to us late last year as we were trying to implement EVJTA, was the lack of exposure of job opportunities developed under the program. A local job service office might contact an employer, assist with the approval, but find that it did not have eligible veterans either interested or qualified for the job. We therefore decided to use one of the Regional Office's two Zenith computers to compile data on approved job openings. This list, with the employer's name and address suppressed, was forwarded to all of the Job Service offices in our jurisdiction on a weekly basis. Using this list, an LVER or DVOP could immediately determine if there were EVJTA job openings available in the LA area which might interest the veteran client. By calling the office that held the job order, a referral could be made where otherwise there might have been no veterans to refer at all. Moreover, the list was designed to serve as a management tool, allowing us to determine average length of training and average wages, in addition to assessing the kinds of jobs being approved. The list was also helpful to Job Service management in tracking the participation of their local offices in the program. Every VA Regional Office has this computer capability, and this system could be implemented nationwide at virtually no cost.

At the beginning of my testimony, Mr. Chairman, I indicated that VVA proposes that EVJTA needed a longer life than even the current extension grants it. If there was ever any doubt about the need for this program, the nearly quarter million applications received by the VA should serve as eloquent testimony to the wisdom of this Committee, and you, Mr. Chairman, in designing EVJTA. We do, however, believe the title "Emergency" is a misnomer. When VVA first testified on behalf of development of a new veterans job program, we discussed at some length the chronic need for a tool to deal with structual unemployment and underemployment among Vietnam veterans. It is our contention that in good economic times, Vietnam veterans do not have any difficulty finding jobs. The real problem has to do with the type of jobs, given lack of training, that veterans are able to secure. Far too many Vietnam veterans have been unable to find stable careers and have ended up, as a result on the margins of the labor market -- last hired and first fired. The efforts of the Federal government over the last decade and a half have been based upon the decidedly wrongheaded notion that the unemployment problems of Vietnam veterans were merely cyclical. These efforts have also been short lived, a muddle of programs which start and stop and starg again, allowing no time for the development of the institutional experience needed to implement a veterans job program successfully. The fact is, there has been no coherent or consistent federal policy governing the employment problems of Vietnam veterans. Until such policy and program tools are developed, the problem will persist and is likely to be exacerbated by profound changes our nation's economy is now experiencing. We need an employment program which can develop for the first time some real experience. For these reasons, Mr. Chairman, Vietnam Veterans of America recommends that the Emergency Veterans Job Training Act be made into a permanent Veterans Job Training Act to sunset in 1989, with the expiration of the GI Bill.

Mr. Chairman, VVA is well aware of the need for fiscal restraint and responsibility with the enormous federal deficits being projected over the next five years. We thus do not make this recommendation lightly. VVA believes, however, that a longer program would more than return the initial investment in taxes and decreased dependence on unemployment insurance and welfare. Moreover, if we are finally to resolve the employment problems of Vietnam veterans, we must build a lasting relationship with the employer community which we were never able to do with programs such as HIRE I and II. The Targeted Jobs Tax Credit program, as an example, took nearly four years to develop this kind of relationship. A longer program would also convince employers that this program is not another CETA program with all of the attendant problems.

In addition, VVA recommends that a certain portion of appropriated monies for EVJTA - perhaps 5% - be set aside for the agencies to develop extensive outreach and public information campaigns, and for administrative costs. We believe that to ask for significant agency activity on behalf of EVJTA without providing the resources for such activity is counterproductive.

I urge the Committee to examine carefully the proposals set forth today. We have already had fifteen years of employment programs for Vietnam veterans which have not existed long enough to become truly viable. I ask that we do not repeat the same mistake. Unemployment and underemployment will cease to be a problem for Vietnam veterans only if we seriously address the issue over the long term. Otherwise, next year or the year after, we will be back in this room again trying to develop still another emergency jobs bill for veterans.

I thank you once again, Mr. Chairman, for the opportunity to address this Subcommittee, and I would be pleased to answer any questions.

VETERANS OF FOREIGN WARS OF THE UNITED STATES

STATEMENT OF

DONALD H. SCHWAB, DIRECTOR
NATIONAL LEGISLATIVE SERVICE
VETERANS OF FOREIGN WARS OF THE UNITED STATES

BEFORE THE

SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT
COMMITTEE ON VETERANS' AFFAIRS
U. S. HOUSE OF REPRESENTATIVES

WITH RESPECT TO THE EMERGENCY VETERANS'
JOB TRAINING ACT OF 1983

WASHINGTON, D. C. SEPTEMBER 20, 1984

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

Thank you for the privilege of appearing before this distinguished Subcommittee to present the views of the Veterans of Foreign Wars of the United States.

My name is Donald H. Schwab, and it is my privilege to serve the more than two million men and women of the Veterans of Foreign Wars as their National Legislative Director.

As is a matter of record, Mr. Chairman, the President signed H.R. 2355, as amended, the "Emergency Veterans' Job Training Act of 1983," on August 15, 1983, at our 84th National Convention in New Orleans, Louisiana, and it became Public Law 98-77. Funding was to be in the amount of $150 million in the fiscal year 1984 and an additional $150 million in the fiscal year 1985 to assist Vietnam

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VFW MEMORIAL BUILDING ● 200 MARYLAND AVENUE, N. E. ● WASHINGTON, D. C. 20002 ● AREA CODE 202-543-2239

Era and Korean veterans who have been unemployed 15 of 20 weeks immediately preceding the date of a veteran's application for participation in the program.

Mr. Chairman, first funding for this program in the amount of $75 million was contained in the "Continuing Appropriation, 1984," Public Law 98-151, approved November 14, 1983. The additional $75 million for the fiscal year 1984 was provided in the "Supplemental Appropriation, 1984," Public Law 98-181, approved November 30, 1983. However, $20 million was immediately transferred to readjustment benefits for educational assistance leaving $130 million for job training. Funding for the fiscal year 1985 was neither requested by the Administration, nor provided in the fiscal year 1985 HUD-Independent Agencies Appropriation, Public Law 98-371.

Mr. Chairman, last week I received a Department of Labor news release captioned, "Labor Secretary Donovan Honors State Employees for Placing Veterans in Jobs." The first paragraph reads: "Secretary of Labor Raymond J. Donovan today honored 30 state Job Service employees from across the U. S. for placing more than 400 veterans in jobs during 'Hire A Vet' month last June and making the Emergency Veterans' Job Training Act a success." While acknowledging the meritorious efforts of the Veterans' Employment Representatives, it would appear Secretary Donovan is being premature, indeed, in viewing the Emergency Veterans' Job Training Act a success at this point in time. The Department of Labor's goal is to place 30,000 veterans by February 28, 1985, just over five months from now, the deadline for commencement of training under current law. During the last 10 months, 13,717 veterans have been placed and $58.5 million of available funds expended. In other words, to properly claim the Emergency Veterans' Job Training Act a success, more veterans must be provided jobs in the next five months than were placed during the last 10 months.

According to the Bureau of Labor Statistics, some 331,000 Vietnam Era veterans are unemployed and no data is available with respect to Korean Conflict veterans. The following statistics reflect the activity under the Emergency Veterans' Job Training Act through September 4, 1984:

Veterans applications received	246,547
Veterans applications approved	201,655
Employer applications received	29,472
Employer applications approved	27,111
Job slots developed	60,370
Job slots filled	13,717
Funds committed	$58,451,533.82

The above statistics indicate that 74 percent of the eligible unemployed Vietnam Era veterans have applied for placement under the program, that approximately seven times as many veterans' applications have been approved than employer applications and that the job placement rate is 5.6 percent of those who have applied. Obviously, this most important program has yet to come together and produce the results envisioned by both Congress and those of us with a vested interest in veterans' employment.

Mr. Chairman, it is quite apparent that a major problem continues to exist in matching veteran qualifications with employer requirements. Increased efforts must be made to lighten the administrative burden on employers and to encourage them to more willingly accept a lesser qualified veteran into a training program without encountering additional burdens.

According to our VFW Employment Officers a major flaw exists in the availability of information as well as application forms particularily for employers to participate in the program. Stocks at Veterans Administration Regional Offices are allegedly inadequate.

In addition, Mr. Chairman, the current public service campaign appears to be inadequate. The timeliness of professionally prepared public service announcements by the media is highly suspect. Perhaps consideration should be given to paid prime time spot announcements.

As you may recall, Mr. Chairman, in the hearing held this past April with respect to the issue at hand, I pointed out that the Administration opposed passage of the enacting legislation. Both the Veterans Administration and the Department of Labor reiterated such opposition in testimony prior to the passage of H.R. 2355 by the House of Representatives on June 7, 1983. Given the Administration's position, we of the VFW were deeply concerned at the time that considerable resistance and lethargy would be built into implementation of the Emergency Veterans' Job Training Act and, frankly, little has transpired to date to assuage our misgivings. This program has tremendous potential and should be pursued with the utmost vigor by all concerned. The VFW, in concert with other service organizations, has repeatedly stressed the necessity of increased publicity of the program, the streamlining of administrative procedures, and a joint concentrated effort to educate veterans, employers and employment representatives with the program and its benefits.

Mr. Chairman, the VFW applauds this Subcommittee and the full Committee for including in H.R. 5398, the "Veterans' Education and Employment Amendments of 1984," and, passed by the House of Representatives last month, a provision to extend the date when veterans may apply for assistance under the provisions of Public Law 98-77 from November 29, 1984 until May 29, 1985 and the cut-off date for commencing training from March 1, 1985 until September 1, 1985. If the Senate does likewise, we may yet see this fine and necessary program through to fruition. So extending the dates would fulfill in part our current Resolution No. 693 entitled, "Extend PL 98-77 and Eliminate 15 Weeks Starting Date," a copy of which is appended to my testimony.

This concludes my testimony, and I will be happy to respond to any questions you may have.

Resolution No. 693

EXTEND PL-98-77 & ELIMINATE 15 WEEKS STARTING DATE

WHEREAS, the Congress of the United States has from time to time enacted legislation to aid and assist veterans in obtaining training or employment; and

WHEREAS, Congress enacted Public Law 98-77 to provide job opportunities to unemployed Korean and Vietnam veterans; and

WHEREAS, the State Job Services and Veterans Employment and Training Service have implemented effective programs at the state and local level to seek out veterans and employers, including those living in rural areas, that are interested in participating in Public Law 98-77; and

WHEREAS, many veterans are not eligible as they have not been unemployed for 15 of the last 20 weeks; now, therefore

BE IT RESOLVED, by the 85th National Convention of the Veterans of Foreign Wars of the United States, that we request the Congress of the United States to: (1) extend Public Law 98-77 to December 31, 1987; (2) eliminate the 15 of the last 20 weeks unemployment provision; (3) eliminate the provision requiring veterans must apply for benefits before September 30, 1984, or within one year after the funding of Public Law 98-77; (4) eliminate the provision that requires veterans to be enrolled in training within 15 months after the original funding of Public Law 98-77; (5) the Administrator of the Veterans Administration be encouraged to delegate authority to the State Job Services and/or the Local Veterans Employment and Training Services to recertify participants under PL 98-77; and (6) that initial certification be extended for a period of 90 days.

Adopted by the 85th National Convention of the Veterans of Foreign Wars of the United States held in Chicago, Illinois, August 17-24, 1984.

VETERANS OF FOREIGN WARS OF THE UNITED STATES

SAMPLE LETTER SENT TO
ALL STATE GOVERNORS &
MAYOR MARION BARRY, JR. OF
THE DISTRICT OF COLUMBIA

October 26, 1984

COPY

Dear Governor :

On behalf of the more than two million members of the Veterans of Foreign Wars, I would like to express our sincere appreciation for your efforts in enhancing veterans' employment opportunities.

Nationally, veterans represent a class of society that consists of approximately 28,078,000 men and women that have an average age of 51.4 years. It is estimated that approximately 9,858,000 of these veterans are between the age of 25-44 years.

This group of dedicated Americans are at the height of their employment life. However, the national unemployment statistics for August 1984 (not seasonally adjusted) reflect that they endure a higher unemployment rate than their non-veteran counterparts.

The Congress of the United States recently extended the Emergency Veterans Job Training Act which is an employment program designed to assist in overcoming veteran employment shortfalls. The Emergency Veterans Job Training Act (Public Law 98-77) addresses the problem of severe and continued unemployment among veterans of the Korean conflict and the Vietnam era. As of September 1984, 15,375 veterans have benefitted from this program.

In accordance with Public Law 98-77, the Assistant Secretary for Veterans Employment and Training (ASVET) has made an effort to maximize the services of State Directors and Assistant State Directors for Veterans Employment. This effort is directed toward assisting veterans and employers to capitalize upon the opportunities made possible through Public Law 98-77.

The ASVET goal is to place 30,000 veterans into meaningful employment by February 1985. To obtain this goal, each state has been challenged to fulfill a specific goal tailored to the employment environment of that state.

As of September 1984, your state has obtained ____ percent of its assigned goal of ____. In comparison with the efforts of other state employment services, your state ranks ___.

★ WASHINGTON OFFICE ★
VFW MEMORIAL BUILDING ● 200 MARYLAND AVENUE, N.E. ● WASHINGTON, D. C. 20002 - 5799 ● AREA CODE 202-543-2239

Preliminary Bureau of Labor Statistics data for your state indicates that ____ percent of your state population may be unemployed. Perhaps the employment opportunities afforded by Public Law 98-77 would assist in alleviating this unemployment rate. I have enclosed for your information a Department of Labor pamphlet entitled, "Facts About the Emergency Veterans Job Training Program."

We of the Veterans of Foreign Wars are committed to ensuring the success of this critical veterans' employment program. I would like to solicit your continued support and request that through your daily communications and speaking engagements that you emphasize the merits of Public Law 98-77 and its significance in eliminating unemployment among your constituents.

Sincerely,

BILLY RAY CAMERON
Commander-in-Chief

Enclosure

cc: State Director for Veterans Affairs
Department Commander
Department Adjutant

National Association of Concerned Veterans

September 21, 1984

Mr. Chairman and Honorable Committee Members:

On behalf of the National Association of Concerned Veterans (NACV), I want to thank you for the opportunity once again to testify before the committee on behalf of Viet Nam Veterans.

The NACV has been working on behalf of Veterans since its incorporation in 1968. As with many non-profits, we have suffered through some recent lean years but continue to do our utmost to assist our fellow veterans. NACV's thrust has always been "Veterans Helping Veterans'. Recently NACV has focused its efforts in several not so popular areas --- Housing--- Economic Development and employment. The belief is that if we can provide housing and help a veteran obtain employment and maintain that employment, then many of the other needs will also be met.

To this end, NACV has been piloting in several locations, Programs centered around Housing rehabilitation, inner city revitization, economic development and jobs. In the D. C. Metropolitan area alone, in less than ten weeks NACV has placed over eighty (80) Viet Nam Veterans in jobs. Almost one per cent of the total E. V. J. T. P. in its first year.

9/21/84

Employment may be the most crucial component of services to our veterans outside of health care and housing. If we assist a veteran in obtaining and maintaining employment, the other problem needs can or will be met by definition. Therefore, the continuation, extension, and the improvement of the Emergency Veteran Job Training Act, Public Law 98-77 is essential.

In less than ten weeks, the NACV has placed over eighty (80) eligible veterans in jobs using only volunteer staff.

NACV must go on record and state that although the program has improved --- either through lacking training or committment or resources, the program has been a disappointment and no where near successful as it could and should be.

The program could benefit from more active outreach using Title IV-C Funds. Neither VA nor employment services programs were provided additional resources which would enable them to meet the increased demand of the act.

NACV urges that Title IV-C monies be made available to non-profits and other qualified groups to provide outreach and support to the Emergency Job Training Program. It should be noted that in the Disrict of Columbia Metropolitan area, as in most urban cities over 90% of the veterans are minorities and also meet the Job Training Partnership Guidelines.

9/21/84

We recommend that the programs be made to run concurrent and not allow consecutive back to back continuance. There needs to be stronger coordination between the JTPA and EVJPA. Studies show that the unemployment rates among Viet Nam Veterans in major urban cities run in excess of 20%. NACV is convinced that proper use of EVJTA, JTPA and Title IV-C Funds could bring that rate down to that of the over all population. Many of the NACV members feel that the Emergency Jobs Training Program is an earned right and should be treated as such.

Efforts should also be made to follow up employers previously approved -- and the vast discrepancies between eligible veterans 172-K eligible employers, 22-K and 10-K placed veterans and approved employers slots 49-K rectified.

In many of the coal mining, steel and automobile manufacturing areas, the unemployment rate is due to changes in technology and times. Many of these unemployed veterans had over ten years seniority and didn't need their G. I. Education benefits at the time and didn't use them. Now they do but they are pass the delimiting date.

9/21/84

NACV offers its experience and expertise in making the Emergency Jobs Program work as it could and should. We are very familiar with all the players involved --- the VA, Department of Labor, The Veterans Organization and employers. In fact, NACV would much rather see the program evaluation monies be used to correct the program and make it work rather than just report "objectively" that it isn't. When NACV approached the contractors in this regard, they were told that to address the problem areas would "bias", the program evaluation.
Why spend $600,000 to "objectively" report that a multi-million dollar progtam is not effective and not efficient, when a little effort could identify and correct problems and make the program successful.

With the Chairman's approval, NACV would like permission to edit this written testimony before it is submitted to the record. We did want to provide you however, the basic thrust of our testimony.

Again, thank you for this opportunity to speak on behalf of Viet Nam Veterans.

STATEMENT OF HON. JAMES M. JEFFORDS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF VERMONT

Mr. Chairman, I appreciate the opportunity to present a statement to the Subcommittee in connection with your oversight hearings on the Emergency Veterans' Job Training Act.

I am extremely supportive of this legislation and have been actively involved in promotion of the program since its beginning. My own state of Vermont has had reasonable succcess with the program. We now have 23 veterans employed, with 73 job slots available. Vermont, like the rest of the country, got off to a slow start in implementing the program but is now progressing sufficiently to recognize both the strong points and the problems.

It is not my purpose to talk solely about Vermont's experience. However, through my own and my state's involvement, I have recognized some inherent problems with the program which I assume are occurring in other states as well. I would like to briefly mention four of them, and suggest possible responses.

First, many employers have been reluctant to sign up for the program because the turn-around time for processing each application averages three to four weeks. Most employers cannot wait that long once they have made a decision to hire someone, and I feel it is unreasonable to ask them to. I believe the processing and approval of employers' applications for training positions should reasonably occur within five to ten working days. As it now stands in Vermont, an employer can participate in a similar on-the-job training program under the Job Training Partnership Act and receive overnight approval through the local job service office.

It would seem that tighter standards for timeliness, greater flexibility in approving employers' applications with a minimum of red tape, and enhanced communication and cooperation between the Job Service and the V.A. could lead to a major improvement in approvals of training positions.

Second, it has come to my attention that an employer who wishes to participate in both the Job Training Partnership Act and the Emergency Veterans Job Training Act is prohibitied from receiving funds concurrently under both programs for the same veteran employee. I believe this provision should be changed so that the two programs can be coordinated to help the veterans who are most in need of assistance.

As an added incentive to employers to provide opportunities for those veterans who are having the greatest difficulty re-entering the work force, I propose that the Emergency Veterans Job Training Program be better coordinated with Title IVc of the Job Training Partnership Act. Currently, a person participating in a Title IVc try-out program is considered employed under the Emergency Veterans Job Training Program and is thus excluded from participation. I believe that the law should be amended so as to exclude try-out from the definition of employment. This would allow an employer to work with a veteran for four weeks without a commitment to hire. At the end of the four weeks, the employer would have the option of hiring the veteran under the Emergency Veterans Job Training Act. As it now stands, the veteran's four weeks of work under Title IVc would be considered employment, making him or her ineligible.

I would be pleased to explore this issue and related ones with the members of the subcommittee. As a member of the House Education and Labor Committee and an active participant in the passage of the Job Training Partnership Act, I intend to contact both the Veterans Administration and the Department of Labor to seek their comments on my suggestion and will be happy to provide the subcommittee with their responses.

My third recommendation is that the duration of the Certificate of Eligibility, which qualifies the veteran for participation in the program, be extended from 60 to 120 days. The current life of the certificate is far too short and is often cut shorter by the V.A.'s mechanism for initial certification or recertification. With a current processing time of ten days to two weeks, the certificate is valid for only a brief period of time. This creates an additional processing burden on the V.A. and serves only to further discourage veterans and employers from participation.

My final recommendation is that this program be extended, at minimum, an additional six months and, at maximum, until a sunset date in five years, or 1989. It is my understanding that a six-month extension will result in no additional appropriations. However, such an extension will permit us to fine tune this important program. Structural unemployment among veterans, and Vietnam veterans in particular, has not been adequately addressed by past short-lived veterans' employment initiatives.

The Emergency Veterans Job Training Program represents an opportunity for eligible, job-ready veterans to receive private sector training which can lead to permanent employment in the primary job market. This program can have the effect of reducing structural unemployment among Vietnam-era Veterans by providing them with access to high quality training which has not been available under other programs. The desired impact cannot be obtained with the current life of the program. Nor can a relationship with potential employers of veterans be developed and sustained without a cohesive, consistent approach to implementing a veterans' training program.

STATEMENT OF HON. WILLIAM LEHMAN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA

Mr. Chairman, I am pleased that the Subcommittee on Education, Training and Employment of the House Veterans' Affairs Committee has decided to hold oversight hearings on the Emergency Veterans' Job Training Act of 1983.

In the 17th Congressional District of Florida, which I represent, several of my constitutents who are veterans have expressed some concerns about the administration of this program.

One problem is that there are not a sufficient number of jobs for all of the veterans who would like to participate in this job training program. Our District Office in North Miami Beach has received numerous calls from veterans concerned that they are unable to find employment.

Our veterans are also concerned about wages. They feel that those businesses that are participating in this job training program are not paying high enough salaries.

After talking to one veteran, I realized that he had not been properly informed that this was a "job training" program as opposed to an actual "job."

Another problem that I have encountered is that the application for certification of the veteran to participate in the program calls for a ten year work history. According to the Veterans Administration in St. Petersburg, Florida all that is required is the work history for the last twenty months.

Thank you for holding this hearing, and I appreciate having this opportunity to bring the concerns of my veteran constituents about the Emergency Veterans' Job Training Act to your attention.

STATEMENT OF
RONALD W. DRACH
NATIONAL EMPLOYMENT DIRECTOR
DISABLED AMERICAN VETERANS
BEFORE THE
SUBCOMMITTEE ON EDUCATION, EMPLOYMENT
AND TRAINING
OF THE
HOUSE COMMITTEE ON VETERANS AFFAIRS
SEPTEMBER 20, 1984

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

On behalf of the more than 845,000 members of the Disabled American Veterans, I would like to take this opportunity to thank you for allowing us to appear here today to discuss the Emergency Veterans' Job Training Act of 1983 (EVJTA). We believe it is very important to have these hearings at this time to assess the program and its progress since the hearings last held on April 5, 1984.

Mr. Chairman, we appreciate your personal interest and effort as well as that of the other Subcommittee members to establish a meaningful employment and training program that is targeted to assist certain eligible unemployed veterans of the Korean Conflict and Vietnam Era.

During the course of the hearings in April of this year, critical comments were made by the DAV, as well as other veteran organization representatives as to the slowness with which the program was developing. Since that time, many of the stumbling blocks have been removed and the program is now moving at a very steady pace.

We have observed a sincere commitment to the program by both the Secretary of Labor Donovan and VA Administrator Walters. The respective staffs in the Department of Labor and Veterans Administration have also displayed a strong commitment and worked very diligently toward achieving satisfactory results in the program.

Mr. Chairman, I would like to thank you for participating in a ceremony held last week honoring approximately 40 local VERs, DVOP personnel and others who have made significant strides in making EVJTA a reality. It was a ceremony attended by many individuals including Secretary Donovan, Administrator Walters, Deputy Administrator Alvarez, Senator Strom Thurmond and, of course, yourself, Mr. Chairman. The effort, commitment and hard work displayed by these award recipients support the belief of many that this program can be made to work.

As I noted earlier, many of the problems identified during the April hearings have since been rectified. However, we still have what appears to be a major problem--matching qualified eligible veterans to jobs. This has been a continual concern and apparently little progress has been made in correcting it. According to cumulative data through July, 1984, 10,556 "matches" have been made representing 35% of the goal to provide 30,000 jobs. As the end of the fiscal year is approaching, many placements will not occur unless the six month extension is enacted by both the House and the Senate. Accordingly, we urge early action by both bodies to assure the continuation of momentum now under way.

Although we believe much has been accomplished in the past several months to make this a good program, we are concerned over several other factors.

Mr. Chairman, all too often the measurement of success in a program such as this is the number of individuals placed in employment. While that certainly is an important consideration, we believe a factor perhaps more important in measuring success is the rate at which veterans are retained in jobs.

The law requires that a 60 day follow-up be made to assure that the individuals placed are still working. It is our understanding, however, that this is not being accomplished at the present time.

It has been stated that the reason for this lack of follow-up is a shortage of personnel to accomplish the accountability. We believe that a possible method to accomplish this would be to generate a letter shortly after the 60 day period to the veteran asking the status of employment. Alternatively, the veteran, when placed, could be asked to return a postage-paid postcard on a given date approximately 60 days after the start of the program. While neither of these efforts will ensure total response, we believe that effort, combined with any other follow-up activity by Regional Office personnel could go a long way toward establishing a meaningful follow-up assessment of the success of this program.

We also believe that Local Veterans Employment Representatives and individuals employed under the Disabled Veterans Outreach Program can perform many of these functions for the VA. A closer coordination and cooperation needs to be developed to maximize the time of all individuals involved in this program.

We further believe that DVOPs and LVERs should have more authority to approve employer applications--again lessening some of the burden on the VA. While the law requires the VA to make the final determination, we believe these other individuals can perform the functional duties of reviewing the employer's plan and making a recommendation to the VA for approval or disapproval of such plans. In most instances, we believe that the extension of the approval authority can be done without much problem and would expedite the employer application process.

Another major concern to the DAV is the lack of data reflecting the number of disabled veterans enrolled in this program, as well as the coordination of the VA's Vocational Rehabilitation staff in matching qualified disabled veterans to employers. Regrettably, based on other information, it is our belief that the VA has done too little in the area of vocational rehabilitation to assure adequate placement of disabled veterans in suitable employment. That problem, Mr. Chairman, is of such significance that we believe additional oversight is needed in that area alone.

We believe it is unconscionable that a record-keeping system would be set up without any reference to reporting disabled veteran placement on a routine basis. They are a major target group in this program, and one that apparently continues to suffer higher unemployment rates than other veterans, or for that matter, any other group.

Mr. Chairman, as you know, the Disabled American Veterans recently concluded its National Convention.

The National Convention Employment Resolutions Committee had before it for consideration nine resolutions concerning the extension and liberalization of EVJTA. The Convention unanimously adopted Resolution 060 which calls for the following:

1. Extend the benefits of Public Law 98-77 through December 31, 1987.
2. Eliminate the provision that requires an eligible veteran to be unemployed at least 15 of the past 20 weeks.

3. Eliminate the provision requiring veterans to apply before September 30, 1984 or within one year after funding.
4. Eliminate the provision that requires veterans to be enrolled in training within 15 months after the original funding.

Mr. Chairman, we believe that these changes, if implemented, will be very helpful in assuring the success of this program.

That concludes my statement, Mr. Chairman, and I will be happy to answer any questions.

Testimony
William Jayne, Director
Vietnam Veterans Leadership Program

Mr. Chairman, members of the subcommittee, thank you for the opportunity to speak to you today concerning the Emergency Veterans Job Training Act. My name is William Jayne and I am director of the Vietnam Veterans Leadership Program in the ACTION agency. With me today is John Garcia, deputy director of VVLP. Both John and I were enlisted infantrymen in Vietnam; John with the Army's 4th Infantry Division and I with the 3rd Marine Division. We consider the opportunity to present testimony on an issue of such importance to our fellow veterans to be a matter of the greatest responsibility. My remarks will be brief and we will be available to respond to any questions you may have.

First of all I'd like to provide a brief introduction to VVLP. Started in September 1981, VVLP is a network of independent, private, locally-based organizations in which Vietnam veterans volunteer their time, effort and creative problem-solving ability to address the needs of their fellow veterans and demonstrate the leadership resource constituted by the nation's nine million veterans who served our country during the Vietnam War. ACTION has played a catalytic role in mobilizing this resource. In 50 programs across the country, over 5600 volunteers have stepped forward and donated more than 340,000 hours of their time to help achieve the goals of their individual programs. Those goals range across a wide spectrum of activities from symbolic support projects such as the development of memorials, to small business development seminars, one-on-one "mentor programs, pro-bono

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service networks and numerous community relations projects designed to project to the public a healthy, accurate image of Vietnam veterans. In general, however, the top priority of this network across the country has been suitable employment opportunities for our fellow veterans.

From the first, VVLP has recognized the great potential of the Emergency Veterans Job Training Act to address the real employment needs of veterans, especially Vietnam veterans. Our experience around the country--prior to implementation of the Emergency Act--had indicated that underemployment was at the root of the problem of large-scale unemployment among Vietnam veterans such as that which occurred in late 1982 and early 1983. In other words, veterans became unemployed not because they lacked motivation, good work habits and ability; they became unemployed because they took whatever jobs were available and often fell into a cyclical last-hired, first-fired situation which afforded them no opportunity to prepare for the more secure, new jobs of the future. Behind our non-veteran contemporaries three to four years, we rushed to catch up and often found we had no maneuvering room to adapt to changing technologies and changing economic circumstances. This is not to say that many veterans do not experience problems such as lack of motivation and lack of good work habits. Many do experience such problems, and those problems

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must be dealt with first before a veteran can take full advantage of the opportunity offered by the Emergency Veterans Job Training Act.

VVLP attempted to gear-up quickly to do whatever we could to enable veterans to take advantage of this opportunity to break the cycle of underemployment and unemployment. Working closely with the Department of Labor and the Veterans Administration, we provided observations and comment on their public information efforts and worked to engage our network in the effort to deliver the word to private employers.

Throughout, we have approached the task of employer outreach from the position that veterans are good, able workers who have demonstrated loyalty, ability to benefit from training and many other desirable employee traits. The most dramatic VVLP achievement in this regard is a billboard campaign developed by our Kentucky program which has now been extended to 16 states. The red-white-and-blue billboards read: "Courage, Endurance, Ingenuity--Get them working for you--Hire a Vietnam Veteran." With a local VVLP tagline on the bottom, the billboard campaign attracted the interest of the Wall Street Journal and, no doubt, many employers. The only cost to VVLP in this effort has been the cost of mailing the printed billboard sheets from Kentucky to the place of use.

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While such mass communications efforts have proven useful, it has been our experience that personal follow-up with each individual employer is essential. Most employers--especially the smaller employers who are key to the success of the program--are still unaware of the Emergency Veterans Job Training Act or confused by the particular elements of the Act or its relationship to the many other employment programs which exist for veterans. Obviously, many employers are still reluctant to deal with federal employment programs that may, from their perspective, make them vulnerable to increased regulatory and paperwork burdens. Only direct, personal contact can convince employers otherwise. Several VVLP programs have reported that a "qualified, motivated veteran is the best incentive an employer can have for hiring a veteran" and that employers are more interested in the availability of such employees than they are in cash incentives or any other inducements.

Along with the task of reaching employers, then, VVLP has concentrated on efforts to match the right veteran with the right job. Again, the only effective means of achieving such a match has been direct, personal involvement. The Georgia VVLP has succeeded in placing 77 veterans in EVJTA opportunities through the application of such personal effort on the part of a dedicated employment specialist--Tony Hamilton. Moreover,

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the program has succeeded in placing individuals in high-paying opportunities, many in the aerospace industry.

The difficulties in implementing the Emergency Act are many and varied. To work well, the Act requires excellent public information efforts, dedicated personnel committed to follow-up with both the potential employer and employee, and extremely good coordination across a veritable patchwork quilt of public and private organizations--VETS, the VA, the Job Service, the Employment Security apparatus, voluntary organizations, employer organizations, state governments and so on. But, it can work.

Some structural problems reported by our programs include both the pre-certification and post-certification eligibility requirements. The requirement that a veteran be unemployed for 15 of the 20 weeks prior to application for certification is counterproductive in the experience of many of our programs. Tony Hamilton reports: "During this long term period of unemployment, many veterans have had to acquire some form of interim employment in order to keep from going under, or mainly to keep food on the table. These jobs are sometimes temporary, part-time, and menial and have barred a veteran from eligibility in the jobs program...The key here is substantial employment. Vietnam and Korean vets are at an

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average age from the high 30's to 50 years of age. They have families and many responsibilities. The fact that they recognized the need to work in interim jobs while continuing their job search should not be a bar to eligibility. We have also noted that emphasizing the 15-20 weeks of unemployable status to potential employers gives a negative connotation of veterans to employers...Our suggestion is to lower the 15/20 week unemployed requirement to one month."

Post-certification, the 60-day eligibility requirement is also a problem. Again, Tony Hamilton reports: "Checking with members of the Georgia Personnel Consultants...and drawing from our own personal experience, we found that a more realistic time span that an individual could expect to spend in searching for substantial employment lies somewhere between three to four months. The initial 60-day certificate falls short of this realization and forces many veterans to have to apply for extensions. We believe that this process creates additional apperwork and time delays for the individuals processing these forms. It has also proven to be an unneeded hindrance to veterans in that it serves to demoralize the positive mental attitude needed in a job search by assuming that the veteran should be able to find substantial employment within 60 days. We suggest a change to extend the time span on the initial certification to 120 days."

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The VVLP network has utilized several tactics to deliver personalized services to the veteran with regard to implementation of the Emergency Act and with regard to employment generally. Guidance fairs have been held to bring together all available guidance resources including DVOPs, VA voc-rehab personnel and local job service officials with the veterans seeking assistance. Such events have the effect of focusing the attention of the service providers on the individual veterans. Important testing necessary to determine the veteran's aptitudes and abilities can be accomplished at such events. One VVLP has developed a job preparation course they call "Basic Training" which prepares the veteran for the job search. Less intensive job seminars intended to accomplish similar goals have been staged by many VVLPs and one, the Houston VVLP, has developed an excellent handout called "The Veterans' Marketing Plan," which provides the veteran with the tools he needs to assess his situation and market himself (including the hiring incentive represented by the Emergency Act) to potential employers.

VVLP has also extensively researched the feasibility of developing a computerized job matching system for veterans. The result is a system incorporating tremendous private sector resources including data bases and communications networks with available public sector data bases in a single program that can provide local employment specialists with a job-matching

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tool of unprecedented potential. This interactive system also holds out the potential of involving private-sector employers and private-sector networks in the process. We are working with the Department of Labor, primarilly, to refine and develop the system.

In summary, then, it has been the experience of VVLP that the Emergency Job Act is workable and offers the veteran a great opportunity to break out of the destructive cycle of underemployment and unemployment. Successful implementation, however, requires excellent cooperation between all parties, dedicated personnel committed to providing both employers and veterans with personalized, direct services and, throughout, a positive perspective toward the attributes the veteran brings to the job search. Not to be overlooked in the process is the necessity of focusing on quality rather than quantity. We have heard many reports of veterans being placed in very low-paying, entry-level jobs that hold little prospect of permanent escape from underemployment. We have no data on this but it is a rather persistent impression.

Once again, we thank you for this opportunity and we will attempt to respond to any questions you may have.

TESTIMONY OF DAVID J. PASSAMANECK
Lt. Col., USA, Ret.
NATIONAL LEGISLATIVE DIRECTOR, AMVETS

On behalf of the more than 250,000 members of AMVETS and its Ladies Auxiliary, I am pleased to present our views on the Emergency veterans' Job training Act of 1983.

The most remarkable thing about the implementation of the Emergency Veterans' Job Training Act has been the extremely small percentage of eligible certified veterans who have participated in the program. As of 4 September 1984, only 13,717 of 201,655 certified veterans had initiated participation.

The participation of employers has been better but also disappointing at a level of approximately 27,111, composed mostly of small businesses of less than 50 employees offering only one training program per employer.

The rate of participation of both veterans and employers has increased between April and September 1984 as compared with the period from December 1983 through April 1984. Although the Act was signed by the President in August, 1983, by February 1984 only 421 veterans had been placed in the program. The inordinate delay in successfully implementing the program has certainly been contrary to the intended "emergency" purpose of the program. Indeed, as in many such programs, bureaucratic and fiscal delays often delay effective implementation until the critical "emergency" has passed. The particular impact of the 1982-83 recession on younger veterans was the problem to which the jobs act was addressed. The relief was very late in coming. This is not to say that the program is not a welcome supplement to the other ongoing veterans employment programs, recession or no recession. Younger veterans have endured much more than their numerically relative share of chronic unemployment since the Vietnam War. No doubt, their years in the military service put them at a definite disadvantage in a highly competitive job market.

Without attempting the futile exercise of assigning blame for the modest performance of the Emergency Jobs Program, AMVETS urges that all programs for the training and job placement of veterans, particularly including Title IV c of the Job Training Partnership Act (JTPA) and the other services of the Veterans' Employment and Training Service of the Department of Labor, be strengthened and more adequately funded so as to provide an effective ongoing mechanism for solving the problem of chronic unemployment and underemployment of veterans, obviating the necessity for dealing with the subject on a sporadic "emergency" basis.

To a significant degree, the initial delays and the lack of effective communication in implementing this program can be attributed to the division of responsibility between the VA and the Labor Department. Congress has repeatedly endorsed the concept of placing veterans employment programs in the Department of Labor, which has the trained expertise and organizational structure to handle the job. We should adhere to this sensible policy in the future.

This concludes my testimony. I will be happy to respond to questions.

TELEDYNE RYAN AERONAUTICAL
AND
OCCUPATIONAL TRAINING SERVICES, INC.

EMERGENCY VETERANS JOB TRAINING ACT (P.L. 98-77)

PERIOD: March 1, 1984 to September 4, 1984

	Total	%
TOTAL APPLICANTS	766	100
TOTAL PASSING Mechanical Aptitude	279	36
TOTAL INTERVIEW Teledyne Ryan	235	31
TOTAL HIRED	190	25
TOTAL TERMINATED Negative	6	3

VETERANS STATUS

TOTAL HIRES = 190

	TOTAL	%
VIETNAM VETERANS	153	81
IN-COUNTRY VETERANS	21	47
VIETNAM/KOREAN ERA	21	11
KOREAN ERA	16	8

JTPA CERTIFIED

TOTAL CERTIFIED = 184

	TOTAL	%
TITLE II-A	101	55
TITLE IV-C	17	9
TITLE 11-A & 1V-C	66	36

ETHNICITY

TOTAL HIRES = 190

	TOTAL	%
WHITE	157	83
BLACK	42	22
HISPANIC	23	12
ASIAN/PACIFIC ISLANDER	11	6
NATIVE AMERICAN	2	1

Written Committee Questions and Their Response

CHAIRMAN LEATH TO MR. DRACH

Disabled American Veterans,
Washington, DC, November 15, 1984.

Hon. Marvin Leath,
Chairman, Subcommittee on Education, Training and Employment, House Veterans Affairs Committee, Cannon House Office Building, Washington, DC.

Dear Congressman Leath: This will acknowledge receipt of your recent letter requesting that we respond to questions regarding the Emergency Veterans' Job Training Act of 1983 (EVJTA). As you indicated, time did not permit these questions to be asked during the hearing.

Regrettably, a previous commitment required my being out of town during the hearing and Steve Edmiston, Deputy National Legislative Director, appeared on my behalf. Since this is an area under the jurisdiction of the National Employment Director, Mr. Edmiston has requested that I review and respond to your questions.

As indicated by our prepared testimony, we believe this program has the potential to be very successful if implemented properly. In response to Question No. 1, we do believe it would be shortsighted to terminate EVJTA since any new program takes quite some time for "start up." It appears that only after 14 to 18 months of a new program are we able to work out the "bugs" and pursue effective administration and implementation.

There have been both major and minor problems that have effectively inhibited the success of the program. However, we believe that many of those problems have abated and with aggressive follow-up by both the Veterans Administration and Department of Labor, we are optimistic that EVJTA can be made extremely successful.

In response to Question No. 2, the DAV does view EVJTA as a priority program. As National Employment Director, I am responsible for monitoring employment and training programs administered by the Department of Labor and other federal agencies, including, in this case, the Veterans Administration. We attempt to publicize this program through our magazine and Employment Bulletins which reaches an audience of approximately 1,000,000. The magazine, by virtue of its informational rather than technical structure, provides general information to the reading population. The Employment Bulletin is intended to be a more technically oriented document and may often be supplemented by memoranda. It is provided to our National Service Officers offering in-depth technical information and assistance. As an example of our outreach efforts, permit me to refer to our Forgotten Warrior Project which addressed the post-traumatic stress problems of Vietnam Era veterans.

In response to Question No. 3, the Disabled American Veterans is prepared to work closely with the Veterans Administration and the Department of Labor to assure that EVJTA attains its goals during the current period of authorization. Further, we are also desirous of working closely with the appropriate Committees, including your Subcommittee, in an attempt to determine what, if anything, should be done to continue the program beyond its current expiration date. For that matter, the DAV could support extending this program beyond its current termination date. Additionally, we recently concluded a one and one-half day Employment Information Program in Detroit, Michigan—an effort designed to advise unemployed veterans of their rights under this program and other employment and training initiatives. Part of our project involved the use of a private consultant who spent one day discussing the intricacies of job hunting. This included resume writing, job interview techniques, and how to find the job opening. Additionally, we are planning a "seminar" for sometime in early 1985. The new program will advise employers of this and other programs with emphasis on recuitment of unemployed veterans and taking advantage of the various programs available to employers such as EVJTA, VA on-job training, the benefits of linking the Targeted Jobs Tax Credit with other programs, the subject of reasonable accommodations, and the utilization of assistive devices.

While we have not met with the VA Administrator personally to encourage full implementation and proper funding of the program, we have raised this issue at various meetings—most recently at the quarterly meeting of the Secretary of Labor's Committee on Veterans' Employment. The Department of Labor assured us that steps will be taken to work with the Veterans Administration in order to address some of the concerns expressed at that meeting, as well as subsequent concerns that will be addressed to the Department of Labor.

Thank you again for having these hearings and providing us with the opportunity to respond to these questions.

Sincerely,

RONALD W. DRACH,
National Employment Director.

CHAIRMAN LEATH TO MR. EGAN

THE AMERICAN LEGION,
Washington, DC, October 15, 1984.

Hon. MARVIN LEATH, *Chairman,*
House Veterans Affairs Subcommittee on Education, Training & Employment,
Cannon House Office Building, Washington, DC.

DEAR CHAIRMAN LEATH: This letter is in response to your communication of October 11, 1984 in which you ask questions following up on the hearing held on September 21 of this year. The first of your questions essentially asks whether or not the emergency job training program ought to be extended beyond its currently scheduled termination date. On review of our written statement you should note that The American Legion addressed the question of extending the program in considerable detail. In that regard, but for circumstances beyond our control, we had intended to address this issue in the verbal summation of our statement at the time of the hearing.

Moreover, there are a variety of options available for extending this program. One of these would simply reauthorize the program for from 2 to 5 years. Another option, perhaps more consistent with the emergency nature of the program, would make the program permanent but dormant until such time as veterans unemployment levels reached a threshold of between 2 to 5 percent above the national level. In this way the program could be brought back on line in as little time as required to secure an emergency supplemental appropriation. The Legion has already begun a dialogue with your subcommittee staff and we look forward to maintaining that dialogue until the issue is favorably disposed of.

As always, we appreciate your responsiveness to the views of The American Legion and look forward to your continued leadership on behalf of the nation's veterans.

Sincerely,

PAUL S. EGAN, *Deputy Director,*
National Legislative Commission.

CHAIRMAN LEATH TO MR. RHOADES, VIETNAM VETERANS OF AMERICA, INC.

Question 1. We all agree that veteran unemployment is a long-standing problem that was never effectively addressed prior to the enactment of Public Law 98-77. Wouldn't it be shortsighted to terminate this program, one which finally has some teeth, before it has had an opportunity to function effectively?

Answer. It would be absolutely shortsided to terminate EVJTA before it has had the opportunity to become familiar to the employer community. VVA believes the word "Emergency" in the title of the Act is a misnomer: there is no "quick fix" to the structural unemployment and underemployment problems which have persisted among Vietnam veterans for the past decade and a half. If any one factor can be identified as working against EVJTA's effectiveness, it is probably the dismal history of shortlived employment programs for Vietnam veterans.

Question 2. I hope this program is one that your organization has singled out for priority attention. Having said that, what do you mean when you label a program as having priority? What do you do about a priority program that you wouldn't do otherwise? What is an example of a priority program you feel has been brought to a successful conclusion?

Answer. VVA regards as a priority those key issues which most directly affect the lives of Vietnam veterans and their families. There are no issues more compelling to the Vietnam veteran at the average of 38, than economics, particularly jobs and housing. Vietnam veterans returned from the war at a time of great dislocation in the American economy, the shock waves of which are still being felt. The years lost to a career because of service to the Nation were therefore more critical than they might otherwise have been. For this reason, employment is a critical priority issue for VVA and its members. As the committee is well aware, VVA was in the forefront in helping to develop and support the EVJTA. We intend to continue in that leadership role.

Question 3. We had an uphill battle to get this program approved and funded. The record is clear that Congress is on your side in support of this program. What are you prepared to do to keep this program going? Have you met with the Veterans Administrator to demand that this program be fully implemented and funded?

Answer. As we indicated in our written and oral statements, as well as in a followup letter to the subcommittee, VVA proposes that EVJTA, with certain revisions be extended until 1989. We are presently developing recommendations for such revisions and we will be forwarding these to the subcommittee shortly. VVA intends to work with both Houses of Congress and the Administration to assure the support necessary for the program's continuance.

CHAIRMAN LEATH TO MR. SCHWAB, VETERANS OF FOREIGN WARS

Question 1. We all agree that veteran unemployment is a long-standing problem that was never effectively addressed prior to the enactment of Public Law 98-77. Wouldn't it be shortsighted to terminate this program, one which finally has some teeth, before it has had an opportunity to function effectively?

Answer. Absolutely. The United States Department of Labor, Bureau of Labor Statistics for September 1984 reflect that the employment status of male Vietnam-era veterans, age 25-39 years, not seasonally adjusted, represent 5.6 percent of the work force. This equates to approximately 291,000 unemployed veterans.

Though Public Law 98-77 is gaining momentum with 226,038 veterans being cerfified and 16,426 being placed as of October 16, 1984, there is an indication that large numbers and employers are just becoming aware of the program.

Studies conducted by the Assistant Secretary for Veterans Employment and Training Services indicate that Vietnam veterans who served "in country" receive lower salaries, have less seniority, and higher unemployment than their non-veteran counterparts. Public Law 98-77, in our opinion, will contribute significantly to reversing this trend.

So much of the "Veterans' Benefits Improvement Act of 1984" (H.R. 5688) signed into law by the President thus extends the time limits within which veterans must make application under the provisions of Public Law 98-77 and, also, the date training must commence fulfills in part one of our current priority legislative goals.

Question 2. I hope this program is one that your organization has singled out for priority attention. Having said that, what do you mean when you label a program as having priority? What do you do about a priority program that you wouldn't do otherwise? What is an example of a priority program you feel has been brought to a successful conclusion?

Answer. One of our current priority legislative goals is entitled "Emergency Veterans' Job Training Act." Actions taken with respect to priority legislative goals of the Veterans of Foreign Wars depend on many factors. Beside seeking the introduction of appropriate legislation and giving testimony before the authorizing committee, we may solicit a write-in campaign by our membership through our VFW Magazine with a circulation of over 2 million and our Washington Action Reporter with a circulation of more than 23,000. We may write to the leadership of our organization nationwide, send them mailgrams, or even telephone them to contact their congressional delegation. If deemed necessary, the Commander-in-Chief will write letters to every member of the United States Senate or House of Representatives as appropriate. When abolishing the Senate Veterans' Affairs Committee was considered under a prior administration, our Commander-in-Chief brought to Washington, D.C., at least one influential member from each State for face-to-face meetings with their congressional delegation.

Since the inception of Public Law 98-77, the VFW has utilized all of its resources to ensure the success of the "Emergency Veterans' Job Training Act." Our staff maintains a close and continous liaison with the staff of the Assistant Secretary for Veterans Employment and Training Services and the Department of Veterans Benefits in order to track the program. We have provided testimony to your distinguished Subcommittee and participated in the Secretary of Labor's Committee for Employment. On these occasions, we voiced our concerns and provided recommendations on how to enhance the total program.

Our 1984 employment campaign centered on the "Emergency Veterans' Job Training Act." The then Commander-in-Chief of the VFW challenged our departments to be active in the development of a community based employment campaign that capitalized upon all agencies—federal, state, and local as well as the private sector. Public service announcements and ad mats were disseminated to promote veterans employment.

Billy Ray Cameron, our current Commander-in-Chief, has directed that this effort be continued in 1985. Commander-in-Chief Cameron has prepared a letter (a copy of which is attached) to each governor, State Director of Veterans Employment and Training Services, Department Commanders and Adjutants, and Employment Officers stressing the significance of Public Law 98-77 developing meaningful employment for the veterans in the community.

Public Law 98-77 has been addressed in all of our publications. Articles have appeared in the VFW Magazine, Washington Action Reporter, National Veterans Service's Service to Others, Technical Bulletins and Employment News.

Many of our priority legislative goals have been brought to a successful conclusion over the years. Most recently, priority goals with respect to herbicide and radiation exposure were partially fulfilled when the President signed into law the "Veterans' Dioxin and Radiation Exposure Compensation Standards Act" (H.R. 1961); and the Senate passed S. Res. 139, as amended, expressing the sense of the Senate that the Committee on Veterans' Affairs of the Senate shall continue to be a separate standing committee of the Senate.

Question 3. We had an uphill battle to get this program approved and funded. The record is clear that Congress is on your side in support of this program. What are you prepared to do to keep this program going? Have you met with the Veterans Administrator to demand that this program be fully implemented and funded?

Answer. The Veterans of Foreign Wars will continue to pursue improvements in the "Emergency Veterans' Job Training Act." Appropriate VFW personnel will continue to work with the Administrator of Veterans Affairs and the Assistant Secretary of Labor for veterans employment to further refine administrative procedures and accelerate the rate of placement for veterans.

We are active participants in the Secretary of Labor's Committee for Employment, various advisory committees to the Administrator of Veterans Affairs, Interstate Conference Employment Security Agencies, and the Small Business Administration's Veterans Task Force. In each of these important employment related activities, we stress the significance of Public Law 98-77 and provide our organization's total support to ensuring its success.

CHAIRMAN LEATH TO MR. SHASTEEN, DEPARTMENT OF LABOR

Question 1. The VFW indicates that the current public service campaign is inadequate, thus contributing to the rather low employer participation. I might add that I have seen few, if any, public service announcements for this program on local television. What can be done to improve the public service campaign?

Answer. The Department has launched two separate public service advertising campaigns for the Emergency Veterans' Job Training Act (EVJTA) which were geared to television. The first campaign was begun in March of 1984, and the second in June. These consisted of eight separate PSAs which were distributed to about 600 television stations. The responses we have received from these stations indicate that the PSAs have been, and continue to be used; however, they are subject, as are many PSAs, to be shown on off hours.

As I indicated in my prepared testimony, these television PSAs are only a small part of the total public information campaign that the Department has undertaken to publicize the EVJTA. In addition, we have developed and distributed eight separate PSAs to 3900 radio stations, and have distributed newspaper articles to 2,800 weekly and 1,000 daily newspapers across the country. We have enlisted the support of the Employer's National Job Service Committee to assist us in promoting the program among employers in those States where the program has been less successful. These efforts have been complemented at the State and local level by television and radio PSAs, newspaper articles, informational mailings to employers, and a variety of meetings and seminars. In total, we feel that this represents a substantial promotional effort which is ongoing.

In reviewing our public information and outreach strategies, we have determined that a great deal is gained where such efforts are mounted at the State and local level and are customized and tailored to local needs. As a result, our upcoming public information efforts, including those for the EVJTA, will largely be developed and funded at the State level. This should help improve public awareness of EVJTA.

Question 2. In a statement submitted to the Subcommittee, the Vietnam Veterans Leadership Program has suggested that a computer job matching system be implemented to improve the placement process under EVJTA. Are you familiar with the system recommended by VVLP? Do you have any comments on their suggestion?

Answer. We are familiar with the "Vietnam Veterans Leadership Program" proposal for a computer job matching system and have reviewed this proposal in some detail. Basically, the proposal is vague and requires further development. We should also point out that the proposal substantially duplicates existing computerized job matching systems currently operated by the Job Service in a number of States. We have attached a copy of our response to Mr. Deprez who submitted the proposal to us for funding consideration.

Question 3. Have there been any problems with the industry classification requirements? Have you come in contact with any employers who seem promising but whose business does not fit into any of the required classifications?

Answer. We are unaware of any major problems with the industry classification requirements established by the Congress for employer eligibility under EVJTA.

Question 4. What has been the average wage? What has been the average length of training time? Has there been much variation in these based on geographical region? What can be done to tap into higher-paying job markets?

Answer. Information on the average wage, length of training time, and any variation in these by geographical region is maintained by the Veterans Administration. Concerning recommendations on how to tap into higher-paying job markets, we believe that changes in the overall design of EVJTA would be required which would broaden veteran eligibility, substantially lessen the length of unemployment, and streamline program administration.

Question 5. I am concerned by the retention rate. What can we do to improve that situation?

Answer. In her testimony before the Subcommittee Ms. Starbuck indicated that the termination rate under EVJTA has approached 20%. The Department is unaware that any analysis has been done of this termination rate. Absent such analysis, we are reluctant to make specific recommendations. We should note that a 20% termination rate under EVJTA is not out of line with experience under other similar training programs. However, we will pursue this question further.

CHAIRMAN LEATH TO MISS STARBUCK, VETERANS' ADMINISTRATION

Question 1. I am concerned by the retention rate. What can we do to improve that situation?

Answer. The retention rate is certainly a matter for concern. We have little control over who an employer wishes to hire under the EVJTA. Once an employer has decided to hire a veteran in a job training position, we cannot control the actions of either the employer or the veteran should one or the other decide that the veteran's employment should be terminated. Since many veterans who are employed under the EVJTA have never developed the work habits associated with long-term employment, we find eighty percent of the veterans who left job training prior to successful completion either voluntarily quit or were fired because of unsatisfactory progress or conduct.

We should point out that some veterans who have left their job training programs have obtained other employment, generally not under the EVJTA. There also have been a few reported instances where veterans have proven to be so capable that the employer has requested that they be placed in another training position at a higher level of expertise or responsibility.

We feel it would be improper to require an employer to retain a veteran in a job training position for a longer period of time than the employer or veteran or both wish. Short of such a requirement, we know of no way to significantly improve the retention rate.

Question 2. DVB Circular 20-83-25 indicates that extensive use should be made of VA work-study personnel to supplement VA and SES personnel in outreach to veterans and the business community. Is this being done?

Answer. Through the end of August of FY 84 the Veterans Administration had already authorized close to one million work-study hours for outreach purposes. The greatest number of these outreach work-study hours are used at offices of the various state employment services in disseminating information on VA benefits and matching veterans with jobs under programs such as the Emergency Veterans' Job Training Act.

Question 3. Have national employers chosen to participate in this program? Have these generated a large number of successful matches?

Answer. As of the end of fiscal year 1984, nearly 200 different multi-state job training programs offered by 68 companies have been approved by the Veterans Administration under the Emergency Veterans' Job Training Act. Among the participating employers are several large corporations—Burns International Security, Chrysler Corporation, Dunkin Donuts of America, Goodyear Tire and Rubber Company, J.C. Penney Insurance Company, Marriott Corporation, MacDonald's Corporation, Montgomery Ward and Company, Purolator-Loomis Armored, Inc., Southland Corporation, U-Haul International, Wendy's Corporation, and Wackenhut Services, Inc. By the end of September, over 200 Notices of Intent to Hire had been issued by these employers. The actual number of veterans hired will be available after quarterly reports are generated at the end of October.

Question 4. I would like to know more about the counseling procedures. Are VA and DOL doing counseling? Are veterans who need it receiving necessary aptitude testing?

Answer. The VA provides the same broad range of counseling services to veterans requesting such help under EVJTA as to veterans requesting counseling services under the GI bill and other educational assistance programs. In addition we have established procedures to meet the special needs of these veterans for information and understanding of the ways in which they can make the most effective use of their Certificates of Eligibility. These special procedures include group orientation of EVJTA, general information about the program, improving interviewing skills, and other help.

Basic policy and procedures governing the scope and type of counseling services are contained in DVB Circular 20-83-25, Appendix D, VR&C Division Services under Public Law 98-77, Emergency Veterans' Job Training Act of 1983. Under these procedures the VA provides counseling upon request. VA counseling services may be requested by checking item 10, Request for Counseling on VA Form 28-8932, Application for a Certificate of Eligibility. A counseling appointment is arranged following approval of the veteran's application for a Certificate of Eligibility. Counseling services are provided by counseling psychologists in the Vocational Rehabilitation and Counseling Service in the Department of Veterans Benefits.

Section 2 of Appendix D, DVB Circular 20-83-25 identifies a wide range of counseling services including comprehensive evaluation and assessment to identify suitable job fields for training or retraining. Measurement and evaluation of abilities, aptitudes and interests through psychological testing are generally an integral part of the process of identifying suitable possibilities for training or retraining. The selection of the particular test or tests which would be used in a specific case is a professional judgment made by the counseling psychologist. Therefore the use of tests, including aptitude tests is generally a part of the counseling process for veterans requesting assistance under EVJTA, and will be used in each case in which the counseling pscychologist and the veteran believe that the information which will be developed will be useful and pertinent.

Veterans requesting counseling from the VA are provided such assistance by VA, and are not referred to DOL. VA counseling staff work closely with DOL staff to coordinate provision of job development services to assist veterans in securing training opportunities in suitable fields.

It is our understanding that DOL also provides counseling services as authorized under the provisions of PL 98-77. We defer to DOL insofar as a description of their specific policies and procedures is concerned.

Question 5. On what grounds are most veterans being denied eligibility? What about employers?

Answer. The largest single reason for the denial of veterans' applications is failure to meet the unemployment critieria (e.g., the veteran is currently employed or has not been unemployed for the required 15 to 20 weeks preceding his or her application). The second most prevalent reason for denial is failure of the veteran to meet the military service requirements (e.g., the veteran does not have an honorable discharge or did not serve during the Korean conflict or Vietnam era).

Employer applications are denied for a variety of reasons. Most denials involve jobs which do not require significant training (e.g., a job which requires less than 3 months of training) or jobs for which the employer's training is not sufficient to qualify a person. Many applications are denied because the job is not in a growth industry, the job does not require the use of new techological skills, and the demand for labor does not exceed the supply of labor for the position either nationally or locally.

Question 6. In your testimony, you referred to a joint VA/DOL review team. In their report, they indicated that as late as May, in some states there was still a lack of coordination between the two agencies involved. I quite simply don't understand how, at that point in the program, this situation could possibly have existed. What instructions did you send out at the beginning of the program regarding the need for establishment of a good and clear working relationship?

Answer. In Appendix B to our basic Circular 20-83-25 on the EVJTA we stressed the need for coordination with the Job Service and other community resources to effect the vital outreach and public information elements of the program. This policy was set as early as October 1983 and has been reiterated several times since the May 1984 review team report. The referenced finding of the review team only confirms that the EVJTA is subject to common experiences involved in most any intergovernmental program implementation. State and community reactions to VA/DOL initiatives have varied.

Question 7. I would like your comments on the reference in your testimony on the unemployment statistics for Vietnam era veterans. Of course we are all delighted that the unemployment rate is dropping for veterans, as well as for the rest of our population. However, we still have 417,000 unemployed Vietnam era veterans. This number makes me unhappy, and I think it should make you unhappy as well. When over 200,000 veteran applications have been approved, I just don't see how we can sit back and say, well, our job is done. We'll probably place 30,000 of you, but over 170,000 are out of luck.

Answer. Mr. Chairman, all of those unemployed Vietnam era veterans make me very unhappy also. As I indicated in my testimony, the unemployment figures I mentioned do not mean that there is not a need to find jobs for veterans. I hope I did not create the impression that all is well with veterans unemployment and we can all relax now. That was certainly not my intention.

Question 8. For the record, would you set out step-by-step the process from the time the veteran and the employer apply to participate in the program to the time the veteran has been in a job for three months?

Answer. Since there can be a number of variations in the sequence of events, I will provide a typical scenario.

1. The employer's application is forwarded through the State Job Service to the local VA regional office. (Job Service personnel probably visited the training site and assisted the employer in developing a training outline.) We require that the employer be notified of the approval or disapproval of the application within 10 workdays (5 workdays if there is an indication that the employer has already located a veteran). If the application is approved, the employer is furnished a letter of approval and copies of VA Form 22-8930, Notice of Intent to Employ a Veteran.

2. The veteran may receive assistance from Job Service in completing his or her application; however, this is not generally the case. We require that the veteran's claim be adjudicated within 7 workdays of its receipt in the regional office unless additional information is required from the veteran or the service department. Certificates of Eligibility are issued twice weekly, generally on Monday and Thursday. Therefore, in most instances, the veteran will receive his or her Certificate within

10 days to 2 weeks of the date the application is received. (If the veteran requested VA couseling services, an appointment will be scheduled, but the issuance of the veteran's Certificate of Eligibility will not be delayed.)

3. Most veterans search for job training employment through their local Job Service office. However, many veterans find a job training program by arranging their own employment interviews, literally getting out and "knocking on doors." Once the employer decides to hire the veteran, the employer submits a Notice of Intent to Employ a Veteran to the Central Processing Staff in our Houston regional office. This notice is processed and funds for reimbursement are committed generally within 6 workdays. Within 14 days, the employer is furnished a letter of confirmation and copies of VA Form 22-8929, Certification of Training, for use in claiming reimbursement.

4. At the end of each month (most employers qualify for monthly payment), the employer submits a Certification of Training. The employer will generally be paid the next time payments are issued. (Payments are issued twice monthly, on or about the 7th of the month and on or about the 23rd of the month.)

5. Approximately 60 days after the veteran starts his or her job training program, Job Service will make a follow-up contact (either by telephone or by site visit) to offer assistance to both the veteran and the employer. This contact is not a compliance survey although Job Service personnel should report any discrepancies noted. VA compliance surveys (which include Equal Opportunity surveys) are be conducted on a sample basis, but not typically during the first 3 months.